Leacock on "Canada's Railway Sinkhole" (Page 3)

THE FINANCIAL POST

The Canadian Newspaper for Businessmen and Investors

Largest Circulation of All Canadian Financial Papers

Vol. XXX | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, OCTOBER 3, 1936 | 10c a Copy; $5.00 a Year | No. 40

The Nation's Business

U. S. Tax Unfair To Canadians

Modernization Loans Available

Co-operative Debt Adjustment Best

Bracken Seeks To Carry On

Manitoba's Wage Tax

An Unfair Levy On Canadians

WHILE the Dominion government has levied a tax of 5% for some years on interest and dividend payments by Canadian debtors to nonresidents, it was only this year that the U. S. government imposed a similar tax. The American tax on nonresidents is 10% of dividends and interest.

The American law provides that the levy on residents of contiguous countries can be reduced to 5% by treaty. Such a treaty would save Canadians millions of dollars every year. Yet Ottawa appears to have accomplished little or nothing toward effecting a working agreement.

Investors wonder what is causing the delay and why Canadians continue to pay the higher tax when Canada is in a position to bargain for the lower tax. We too have the privilege of raising our nonresident income tax to 10% against countries which decline to enter into a proper reciprocal treaty with us. With $8 billions of U. S. money invested in Canada and drawing returns the U. S. has more to gain than to lose from playing ball with Canada in this matter.

While negotiations for reduction of the U. S. tax may be complicated by legal technicalities, what agreement or treaty was ever free from such problems? It is difficult to understand why greater progress toward reduction of the American levy has not been made when one considers how readily the Dominion government was able to complete the much more extensive trade agreement with Washington last year.

The issue is up to the Dominion to cut through legal red tape to bring the dividend taxes to parity at 5%.

* * *

Windsor Leads Home Modernization

WINDSOR businessmen have given an important lead to other centres in getting actively behind the $50 millions home renovation scheme announced recently by the National Employment Commission.

Under the leadership of Wallace R. Campbell, president of Ford Motor Co., this community has announced itself ready to put into action an aggressive community drive toward home modernization as soon as necessary details can be worked out with the banks and the government. The banks, for their part, have announced through S. H. Logan, president of the Canadian Bankers' Association, their willingness to make these loans available as soon as Ottawa will draft the necessary regulations.

What has happened is that a group of public spirited citizens, realizing the importance of this federal scheme, have cleared the way for merchandising this plan in their own community, thus providing a necessary link between the government and banks on the one hand, and the public on the other. The banks are playing their part by their assurance of cheap money until such time as the legislation is finally passed by the federal government. As it will be perhaps 4 or 5 months before the legislation can officially be put into action this means that this far-sighted leadership will advance the plan nearly 6 months ahead of what would be possible if they waited for Ottawa to cross the t's and dot the i's in an official way. Since the legislation will be made retroactive there is little chance of any loss and an excellent opportunity is afforded to encourage construction activity in this particular community during the winter months.

This is a lead which may well be followed by businessmen in many other communities in Canada who are anxious to revive employment and recovery in the building trades.

* * *

Saskatchewan's Better Way

ADJUSTMENT of farm debts in Saskatchewan, without resorting to repudiatory legislation or in any way destroying the credit of the province, stands in sharp contrast to the methods used in Alberta.

Too much praise cannot be given to the Saskatchewan government for the honest and straightforward manner in which it has negotiated a mutual agreement between debtors and creditors. Credit is also due to the federal government, for without the co-operation of Ottawa the adjustment would not have been possible. By wiping out prior liens held by them the 2 governments made it possible for the mortgage

(Continued on page 2, col. 4)

See World Recovery Nearer With French Move From Gold

Devaluation Aftermaths

Devaluation of gold by France and affiliated countries, though long expected, may have a most far reaching effect on world trade and securities.

Repercussions favorable and unfavorable may be expected in almost every field of financial activity.

In addition to the interpretation of the general results and the possible effect on trade as published in the adjoining columns the probable results of the recent French move on the various Canadian markets are discussed in this issue as follows:

Stocks .... page 4
Bonds .... page 5
Wheat .... page 21
Mining .... page 22

Main Obstacle to Trade Revival Now Believed Removed

NEW WORLD MONEY SYSTEM?

If the world's leading economists have made a correct diagnosis, then the greatest obstacle in the path of recovery is being hurdled.

Devaluation by the gold bloc countries — France, Holland, Switzerland—followed immediately by announcement of an international agreement by leading powers to regulate currencies, is expected to go far in achieving stability of foreign exchanges. Currency stability, in turn, is considered the vital factor in resumption of world trade—key log in the depression jam.

The development may well herald a new system of international currency. In itself the new international agreement is an innovation. Most observers regard it as a purely temporary arrangement. From it, however, may readily evolve some more permanent structure—still based on gold but with greater emphasis on currency management—to assume the function formerly held by the pre-war gold standard.

International Co-operation

Significance of the upheaval in currencies lies not so much in the defection of the last of the gold bloc countries, although this is of major import, as in the fact that devaluation represents a contribution toward concerted international action in respect to exchange stabilization.

French devaluation, however, does finally admit the failure of that country's attempt to regain prosperity by deflation in a world of inflation. Clinging tenaciously, if precariously, to a standard which changing economic concepts have rendered obsolete in its old form, France not only crippled her own industry but until now has precluded introduction of any alternative to the pre-war gold standard.

As yet, too little is known of the scope and nature of the agreement between Great Britain, the United States and France to utilize exchange stabilization funds to confine currency fluctuations within certain bounds, to justify any but tentative conclusions as to future regulation of exchanges. The compact includes no definite agreement on the exact dollar-pound-franc ratio. But it is understood that only minor fluctuations will be permitted. In effect, it means virtual stabilization, not only of the 3 major countries, but also of those countries whose currencies are linked with them.

There has been no indication that Great Britain will establish a fixed gold value for sterling. London is convinced that this is advisable, but apparently the country at large is not yet prepared for it. The lesson of 1926 when England returned to gold prematurely has been well learned. The American dollar, of course, is already linked with gold, although the content may be varied within definite limits.

Similar Effect on Exchanges

Generally speaking, the effect on foreign exchange markets, apart from the countries directly affected by the devaluation, is likely to be small although changes in some currencies have already been announced.

It is probable that sterling may show weakness against the American dollar. In recent weeks, the pound has shown exceptional strength, mainly due, it is believed, to an influx of French balances. This movement will probably be reversed when devaluation has actually been effected. Few believe that the Canadian dollar will be affected to any great extent.

The effect of more stable currencies on the volume of international trade is outstanding. As the International Chamber of Commerce puts it "With fluctuating currencies, the conduct of international business transactions is like trying to play billiards on a cloth untrue, with a twisted cue, and elliptical billiard balls."

May Lower Restrictions

Not only will stable currencies affect trade directly, but they are altogether likely to exert a most favorable influence on import quotas, licensing, exchange restrictions and other measures which have been designed to offset fluctuating exchanges. A possibility exists that the effect may filter through to tariff barriers themselves.

It is true that exchanges have been relatively stable over the past 2 years. However, there has lurked in the minds of businessmen the belief that sooner or later the gold bloc would have to devalue, and the uncertainty as to when, and how,

(Continued on page 2, col. 3)

Trade Gains Seen to Flow From Europe

French Devaluation May Pave Way for Larger Canadian Sales

Important gains in Canada's world trade are expected to result from the franc devaluation decision of France last week.

Chief immediate benefit will be to remove the barrier of "currency depreciation" which has blocked the way to negotiations with several European countries. Indirect gains are expected to accrue as the new deal in currency clears the way toward lower quota and tariff restrictions.

Help French Trade

"The franc devaluation should greatly assist Franco-Canada trade," says Col. H. Barré, Canadian Trade Commissioner at Paris, when interviewed by The Financial Post this week in Toronto.

"France is very anxious to reduce living costs which have been held artificially high by quotas and other exchange restrictions. Devaluation should relieve this pressure and enable her to either increase these quotas substantially or abolish them entirely in foodstuffs and other necessities of life.

"Canada is already negotiating to amend her convention with France along these lines and I believe the devaluation programme will help these negotiations considerably.

Good Canadian Balance

"Canada already is doing an enlarged business with France—much larger than would appear from our trade statistics. Thus French figures show Canada with a 4 to one trade balance in her favor. In the last fiscal year French statistics show a Canadian wheat import of $9 millions which can be regarded as very accurate. Canadian trade figures for the same period show only $2.5 millions worth of wheat exported to France. Other opportunities lie in pulp, nickel, lead and other minerals, salmon, cheese, etc."

Holland and Switzerland

Franc devaluation will also be of direct benefit to negotiations now pending between this country and Holland and Switzerland.

In each case the stumbling block was depreciated currency in that these countries did not find it profitable to trade with Canada at the valuation this country formerly placed on their currencies. Devaluation will remove the barrier largely if not entirely once a new currency basis is established, and while it will tend to increase the price of Canadian goods in these countries it will put trade on a freer basis by permitting a lowering of tariff barriers and enlargng the market for exports of these countries in Canada.

German Trade Outlook

Similarly with Germany. German representatives are now at Ottawa on the invitation of Hon. W. D. Euler to clear away difficulties which arose following Mr. Euler's visit this summer.

Housing Loans Await Rulings

Canadian banks are prepared to make reasonable loans to accredited borrowers for home modernization as soon as proper regulations are drafted, Sydney H. Logan, general manager of the Canadian Bank of Commerce and president of the Canadian Bankers Association, told The Financial Post this week.

These loans will be available in advance of the actual legislation, says Mr. Logan, but they cannot be made until the government has drafted its new regulations in this connection.

A representative of the banks is sitting in with housing officials at Ottawa and it is expected that as soon as proper regulations are drafted borrowers may apply for money under the new 5% plan provided they have the capacity to pay and are suitable credit risks.

Under the leadership of Wallace R. Campbell, president of Ford Motor Co. of Canada, Windsor is ready to launch a big community modernization drive as soon as these regulations are ready and the banks are prepared to offer these facilities. As a result of this leadership and the co-operation of the banks it is expected that loans will be available in this community three to four months in advance of the final passing of the legislation at Ottawa next session.

Plan Work For Jobless Young Men

Outdoor Special Employment Would Take Care of Thousands

From Our Own Correspondent

OTTAWA. — Alan Chambers, chairman of the Youth Employment Committee, will place before the National Employment Commission, probably next week, details of a plan to employ immediately several thousand unemployed young men between 18 and 25 years.

The scheme embraces such diverse projects as forestry, fire protection, silvicultural operations, replanting, beautification of recreational forest areas, mining, trail opening, development work, agricultural projects and aviation.

Productive Work

Considerable work has been done on these projects in collaboration with federal and provincial officials and with private industry.

Broadly speaking, it is hoped to employ these young men at work essentially useful and productive, with the likelihood that the money spent in this way will produce tangible assets for the nation worth at least 75 cents for every dollar spent. Wage rates will, it is hoped, closely approach current rates in private industry.

There are said to be 200,000 jobless youths in the age classification mentioned, and it is realized that only a beginning can be made this fall and winter.

The plan to be placed before Chairman Arthur B. Purvis of the National Employment Commission will, when it has been approved, go to the Government for action.

The National Commission being an advisory, not an administrative body, there will need to be an executive, probably under the direction of the Minister of Labor, to inaugurate and supervise this youth employment plan.

Massey-Harris Meeting Bondholders October 28

Meeting of Massey-Harris Co. bondholders has been postponed to October 28 as the number of bondholders reporting still falls 20% short of a quorum. At the meeting of October 28 it will be legal for those present or represented to proceed, as two postponements have now occurred to give every bondholder a chance.

Ottawa Working on Act Control Transport Field

From Our Own Correspondent

MONTREAL.—Plans for the regulation and control of all shipping facilities in the Dominion under the aegis of the Dominion Government are making headway and it is expected that Hon. C. D. Howe, Minister of Transport, will be in a position to bring down the new Transport Act during the next session of the House.

The scheme in mind is to bring all railways, airplane companies and coastal and inland water shipping under direction of one central body, which would have wide powers to lay down regulations on operations and to establish rates.

It is known that the Dominion would like to include trucks and motor buses, but this mode of transportation falls in the provincial field, thus putting it outside of the jurisdiction of the Federal Government. Overtures have been made to the Provincial Governments, but it is not expected that the provinces will set a precedent by giving up any of their rights.

It has been apparent for many years that there is need for a central governing board designed to collate all transportation activities in the Dominion. The railway board already has wide regulatory powers over the railways.

The Canada Shipping Act is supposed to correct all the evils in the shipping business, especially on the Great Lakes and St. Lawrence. Though the latter has been in operation only since the beginning of August, a number of amendments are likely to be made in the Act at the next session.

There is no control over airplane business, aside from the safety standards set by the Civil Aviation Branch of the Federal Government.

Lake St. John Plan Prepared

From Our Own Correspondent

MONTREAL. — Lake St. John Power and Paper's reorganization is expected to be completed in detail and the plan made available to the security holders within the next week or so.

In effect, the plan, as approved by the mortgage holders' representatives, proposes funding of the arrears on both bonds and debentures; a reduction in interest rate on the bonds from 6½ to 5½% and on debentures from 6½ to 5%, with the latter to go on an income basis for a period of 5 years. In compensation for reduction in interest, the senior issues would be given approximately 23% of the common stock, 2 shares for each $1,000 bond and 5 shares for each $1,000 debenture.

All the common stock is owned by St. Lawrence Corp.

C.S.L. Plans To Redeem 5 P.C. Bonds

Directors Meet Committee This Week Approve Revised Reorganization

From Our Own Correspondent

MONTREAL.—Directors of Canada Steamship Lines and members of the bondholders' protective committee meet this week to approve final details of the compromise plan for financial reorganization of the company.

The major change in the plan brought forward by the committee last April, but which was not approved by the board, is the redemption of the 5% consolidated mortgage debenture stock of which $2,186,719 is issued and just under $2 millions in the hands of the public. This move automatically gives the 6% bonds the status of a first mortgage bond on all the property and for the increased rights, the committee is understood to have compromised on a smaller share of the equity.

Clean Up Situation

Under the previous scheme the 5% bonds were to remain unchanged. Ordinarily a minimum sinking fund of $350,000 annually has to be provided to the redemption of these bonds, but in March, 1933, the holders agreed to suspend the sinking fund for 5 years.

A difficulty in connection with these bonds is that the trust deed does not give the company the right to call the bonds by lot for sinking fund. Therefore bonds must be purchased on the open market for sinking fund. The issue may be called only as a whole then on an interest date. The earliest notice of redemption would be February 1 next so that the bonds could not be paid off until some time in the fall of 1937, provided there is no hitch in the compromise.

Committee Plan Outlined

The committee plan of last April provided that arrears of interest on the $17.5 millions of 6% bonds be cancelled and that the bonds be replaced by new bonds and stocks on the basis of $600 principal amount of new bonds, 8 new 5% convertible preference shares and 10 new common shares for each $1,000 of bonds held.

The preferred shares, of which 150,000 are outstanding, would be replaced by 165,000 new common shares and the existing 120,000 common shares replaced by 12,000 new common shares.

Amendments of a minor nature may occur in the compromise agreement before final approval, but in consideration of the 6% bonds being given seniority, there will be less equity to the holders in the new capital stock, while the par value of bonds to be issued will be the same as suggested under the committee plan.

It is believed the company will have sufficient cash on hand by the fall of next year to take care of the redemption of the 5% bonds. At the end of last year the company had $1 million in cash. Amount on deposit with the bonds is considerably larger just now and allowing for the normal cash requirements for outfitting next spring it is thought Canada Steamships will have sufficient liquid resources to swing the redemption of the 5½% bonds without bank assistance.

Cut Debt Charges

The plan put forward by the committee and the compromise agreement both have for their objective a lessening of the debt burden. At present the company has about $2 millions of 5% bonds and $17.5 millions of 6% bonds, interest charges on which amount to roughly $1,150,000 annually. With the elimination of the 5's and a reduction in the face value of the 6's to $10.5 millions, interest charges would amount to only $630,000 annually.

Considering that operating costs have been reduced to a minimum consistent with an efficient standard, there would have to be a marked recovery in business offered to place the company in a sound financial position under terms of the compromise plan.

Operations and earnings to date have been on much the same scale as a year ago. Operating profits for the full year may be somewhat greater than in 1935 when they amounted to over $8.6 millions; in any event only a very small decrease is likely.

Again Seek Support National Refunding Provincial Debts

Ottawa Issues Invitations to All Provinces for New Conference

VOLUNTARY ACTION

From Our Own Correspondent

OTTAWA. — Letters are going forward to the provincial treasurers of the 9 provinces—Alberta included—inviting them to consider the feasability of a new Dominion-provincial conference on finance and taxation.

Not much is left of the comprehensive Loan Council and Finance Council schemes propounded last December through which provincial debts were to be refunded under federal guarantee at much lower interest rates; a council was to supervise the orderly and intelligent flotation of new government loans.

Revive Old Plan

The Loan Council scheme was killed when the Senate rejected the constitutional amendment which would have given it authority. Alberta defaulted its April 1 maturity. The Finance Council scheme was left in abeyance.

But the Minister of Finance persists, as he said he would when the Loan Council scheme blew up, in seeking ways of bringing provincial finances, and Dominion-provincial finance and taxation arrangements, to a more satisfactory state. The contemplated conference is for the purpose of exploring methods of tackling the problem from a new angle.

Still Necessary

The desirability of a national finance council is as obvious to this government as ever. Instead of haphazard and unsynchronized issues by federal, provincial and municipal governments, the federal Minister of Finance would like to see substituted a co-ordinated plan which would take into account the size, the date, the maturity and the nature of the borrowings of all these bodies.

Only the provincial elections in Manitoba and Quebec, coupled with his own departure for the United Kingdom, prevented Mr. Dunning from proceeding with this suggestion at the end of the session.

Seek Voluntary Co-operation

The federal government is still hopeful that by voluntary co-operation those provinces which are looking for ways of reducing their debt burden in an orthodox manner may obtain assistance from the Dominion.

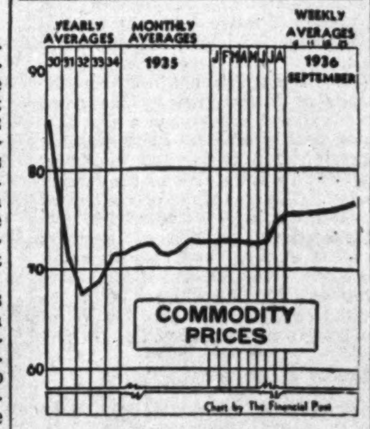
The authorities here continue to draw the sharpest distinction between reduction of interest rates by consultation between debtor and creditor, and the method under which the debtor dictates to the creditor what the new arrangement is to be. They will assist provinces to achieve the former, but will not be a party to anything which smacks of repudiation.

Continued improvement in business prospects over a large part of the Dominion is being reflected in better credit position of some of the province. In others, where natural adversities or imprudent government actions have been a major factor, the credit position is getting worse. The disparity between the credit position of the 2 groups of provinces appears from Ottawa to be growing.

Jealous of Credit

Meanwhile the credit of the Dominion is going to be guarded as jealously as ever. The authorities here feel that recent refunding operations are a testimonial to the soundness of their policy which broke away from the pooling of Dominion and provincial credit, the "one sure rock" policy which Dunning enunciated shortly after he became Minister of Finance. This Government proposes to reduce the debt burden of the Dominion by a series of refunding operations, coupled with scrupulous guarding of the national credit, and a determined drive to balance the budget at the earliest possible date.

Aside from unforeseen complications abroad, the view here is that present low interest rates will continue for some time, and will permit a substantial reduction of the federal interest burden without recourse to unconventional methods. Although the national debt has been rising at an alarming pace, the incidence of it has been greatly softened by progressive reductions in the average interest rate, it is pointed out.



PRICES RISE

Wholesale commodity prices advanced to 76.6 in the week ended Sept. 25 from 76.1 in the previous week, according to the index compiled by the Dominion Bureau of Statistics.

Post First to Tell Of Big Debt Plan

The two big business stories of the week have been franc devaluation and Saskatchewan's gigantic farm debt deflation scheme.

Franc devaluation came as no surprise to readers of The Financial Post which has forecast the move for some time.

Readers of The Post were the first to know of the Saskatchewan debt adjustment. Last week's issue carried the first news of the plan to appear in any newspaper.

Highlights

Railway Sinkhole

Blot on Canadian public finance has grown to deficit of staggering proportions as losses mount from year to year. Stephen Leacock analyzes the cause. Page 3

Base Metals Lead

Upward trend of mining securities over last 12 months finds gold issues far outstripped by Canadian base metal leaders. Page 23

Textiles and Tariffs

Rising production of Canadian companies clouded by federal investigation and uncertainty over tariff developments. The industry in review. Pages 13 to 18

Investor's Index

INDUSTRIALS AND UTILITIES

Asbestos Corp.	4, 19	Hunt's Ltd.	4
Avon River Pwr.	18	Imperial Life	10
Anglo-Can. Pulp	19	Int. Paper	4
Asbestos Corp.	19	Kelvinator	19
Brew. & Dist.	11	Liverpool & Lon.	8
Bank of Can.	10	L. of Woods M.	4
Burns & Co.	19	Loblaw	19
Brazilian Tr.	4	Laura Secord	4
Brompton	4	Marit. Telephone	4
Belding-Cort.	19	Murray Aero.	4
Banque C. Nat.	10	Man. Life	10
Brown Corp.	11	Maple L. Gdns.	5
Brewing Corp.	11	Maple L. Mill.	4
City Dairy	4	Montreal Pwr.	4
Can. Steamships	1	Massey-Harris.	1
Can. Vickers	4	Montreal Life	10
C. N. R.	23	Montl. Pwr.	19
C. P. R.	24	Monarch Life	10
Can. Gen. Inv.	19	Nor. Am. Life	10
Can. Canners	19	Ottawa Pwr.	4
Can. Dredge	19	Ont. Silknit.	19
Can. Bk. of Com.	10	Prudential Ins.	8
Can. Cement	11	Pt. Royal Pulp	19
Can. Holdings	11	Price Bros.	19
Cosgrave's	11	Price Bros.	5, 19
Can. Radio Corp.	11	Rolland Paper	4
Dom. Brewery	11	Regal Brew.	11
Dosco	2, 11	Robt. Mitchell	19
Dom. Coal	19	Riordon	19
Dist.-Seagram	4	Steel of Can.	12
Dom. Steel	1	St. Lawr. Flour	5
Equitable Life.	10	Shawinigan	19
E. B. Eddy Co.	12	Stobie-Forlong	5
For'n Pwr. Secs.	4	Simpsons, Ltd.	18
F. N. Burt Inc.	5	Taylor & Bate	11
Gr.-West Life.	10	Tamblyn Ltd.	11
Growers Wine	5	Very Spec. Synd.	11
Gr. Lakes Paper	4	W'minster Paper	5
Gypsum, Lime	4		

MINES AND OILS

Anglo-Huronian	22	Lake Rowan	22
Arntfield	22	Lebel Oro	22
Bayonne	22	Moose River	22
Big Missouri	22	McColl-Front.	19
Big Missouri	22, 23	Norgold	23
Blue Star	23	Packsack	22
Burvan	22	Pantapec Oil	4
Bulolo	22	Powell Rouyn	22
Can. Cham. Reef	22	Plains Petroleum	22
Echimamish	22	Relief Arlington	22
Fairview Am.	22	Spooner Gold	23
God's Lake Gold	23	Root Petroleum	4
H. B. Min. & S.	23	Surf Inlet	22
Horwood Lake	23	Sladen Mal.	23
Int. Nickel	22	True Fissure	23
Lake Caswell.	22	West Tree	22

QUOTATIONS

Stocks	20	Grain	21
Bonds	20	Mines	20

Foreign Exchange ... 4

Dosco Holds Current Profit To 1935 Level

Activity at Sydney and Other Points Reflects Fair Volume of Orders

PAY ON BONDS

From Our Own Correspondent

MONTREAL. — Earnings of Dominion Steel and Coal Corp. for the current year are running much the same as a year ago, expectation being that returns for the full year will show a gross profit in the neighborhood of $1.3 million or sufficient to cover continued paying of about 3½% annually on the income bonds.

Operations of the Sydney steel plant and allied enterprises this year to date have been satisfactory. The backlog of the 50,000-ton rail order for the Canadian National Railways has proved helpful to the company in maintaining operations on a level keel. In addition Dosco has secured some export business from abroad, notably for the South African railways. A small order from this source was completed earlier in the year and this month the railway contracted for an additional 23,500 tons.

Other Departments Active

The wire and nail plant at Sydney has been kept reasonably busy. Demand from the prairies has been better than indicated by crop reports. Sales in other areas have held up and the total volume of business in this department compares favorably with that reported a year ago.

Dosco does not manufacture or process heavy structural steel forms so that it is not especially interested in new construction work. However, it does supply reinforcing steel for concrete forms and bar and rod steel which find their way into new building. The pick-up in construction has not as yet made any notable difference in the company's operations.

Ship More Iron Ore

Up to the middle of August shipments of ore from the Wabana iron mines totalled nearly half a million tons, which was in excess of last year's shipments to the same date. Sydney took more than half the total; Germany only 70,000 tons and England slightly more.

Other associated activities of Dosco are doing well. Halifax Shipyards reports a good volume of business. The Seaboard Power Co., a subsidiary, is building an addition to the Glace Bay plant, involving an expenditure of $200,000 covering the cost and installation of new steam generator units. Contract for this work already has been placed with Babcock-Wilcox and Goldie McCulloch, at Galt, Ont.

Dominion Coal Active

Dominion Coal Co., one of the most important of Dosco's subsidiaries, has handled a good volume of tonnage to date. Monthly interim reports indicate production this year will be ahead of last year. So far there is no indication of the trend of earnings. Last year the company had a net operating profit of $1.7 million, which was appreciably under that reported in 1934. However after providing for all senior charges, including regular preferred dividends, there was a surplus of $143,093. It is anticipated that income this year will be as good, if not better, than in 1935.

Building Up Position

While there have been no startling changes either in operations or earnings to date, Dosco's statement for 1936 should show evidence of further strengthening. In the last 4 years working capital has been built up from $1.4 million to over $4.2 millions. Bank loans over the same period have declined from $5.8 millions to $3.2 millions. A further reduction is in order for this year.

Small Investors Hit By New Alberta Law

Destitute Aged Face Relief Lines While Debtors Buy Cars — Communist Control Nearing Realization — Aberhart Seeks B. C. Aid

Alberta business leaders view the problem of combatting debt-cutting and state banking laws enacted by the Social Credit government as one to be solved within the province itself. It is held that interference from outside the province will not cure the basic discontent which gave rise to Aberhart Social Credit.

Debt-cutting legislation is believed to be popular due partly to a predominance of "have nots" in the province, and is also attributed to failure upon the part of many who own property to understand that the new legislation is based on the "share-the-wealth" principle.

The feeling appears to be growing among the classes in Alberta who are opposed to government policies that what is needed is a political leader who can weld more conservative groups into a unit against destruction of credit in the province. So far no such political Moses has appeared.

SMALL INVESTOR SUFFERS

From Our Own Correspondent

EDMONTON.—While the effect of the recent Alberta debt legislation will be serious for the large financial institutions with interests in Alberta it is becoming apparent that the immediate results will be even more disastrous for some of its own citizens.

Retired People Hit

Hundreds of small businessmen, retired couples, and widows who otherwise would have lived comfortably through their old age on their savings are now facing destitution and the relief line-up as a result of the Alberta Reduction and Settlement of Debts Act.

Even before courts have tested the validity of the new measure, individual cases are appearing daily to indicate the ultimate effect this law, intended to relieve drought-harassed farmers and depression victims, will have on the economic structure of the province.

Widow Losses Income

A widow of a former M.L.A. has discovered that she not only has lost the $90 per month income from her estate, but actually owes the estate $90 per month from July 1, 1932, under the provisions of the new act. She appeared before the executors of the estate last week to ask how she was expected to live, and for answer confronted the gen-

(Continued on page 2, col. 4)

MEN'S SHOP

HEAD-LINE NEWS!
by KNOX of New York

Brim-ful of style is the new "College Street" hat for autumn 1936. Made by Knox of New York, for the Men's Shop, Eaton's-College Street, from fine fur felt, it may be worn in full, or semi-pork-pie style! Colours—light and medium grey, dark brown and green. $7.00 each. Also featured . . . the new Knox "mello-weight" rough surfaced fur felts for fall, in dark brown and green . . . snap-brim style. $7.00 each. Sizes 6¾ to 7½.

MEN'S SHOP
BAY STREET SECTION
EATON'S - COLLEGE STREET

What's What in Advertising

By TORY FLEMING
Editor, Canadian Advertising

An unfortunate error crept into this column recently in giving advance information on the campaign featuring 7 winners of the 1936 C. N. E. Baby Contest. The sponsor of the advertising is the Canada Starch Co. Ltd., Montreal and Toronto. The product endorsed in the copy by 7 out of 8 prize babies is that company's Crown Brand Corn syrup.

* * *

Sonotone Co. of Canada Ltd., newly organized to handle the Canadian business of Sonotone Corp., makers of Sonotone hearing devices, has established headquarters in Toronto and is advertising in daily newspapers. Magazines are under consideration for use as soon as branches have been opened. Toronto office of the Benison Co. is in charge of the advertising.

* * *

A test radio campaign for Princess Soap Flakes is scheduled for Edmonton, with commercial announcements in the form of 4-line jingles. Listeners will be urged to contribute these, each one to receive a prize, with a major award for those selected to be used on the air. Baker Advertising Agency is directing the campaign.

* * *

Marguerite cigars opened a 3-times-a-week broadcast from CFRB, Toronto, on Sept. 19, at 10.30 p.m. Directed by Baker Advertising Agency, the programmes feature the contralto voice of "Marguerite" herself and the Tuckett orchestra.

* * *

Fall advertising for Block Drug Co., featuring Gold Medal Haarlem oral capsules, has been released by A. McKim, Ltd. Plans call for once- and twice-weekly insertion in daily newspapers and farm publications.

* * *

Magazines and dailies are being used for the fall advertising of the Sheridan Nurseries Ltd. Instructions have been issued by the Toronto office of the Benison Co.

* * *

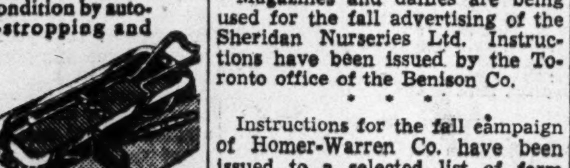
Instructions for the fall campaign of Homer-Warren Co. have been issued to a selected list of farm papers and dailies by the Benison Co., Toronto.

LEARN SHAVING
Joy

Instead of buying blades in a never-ending search for shaving perfection, invest $6.95 (and up) in a

ROLLS
RAZOR

Keeps its barber's blade in ever-keen condition by automatic self-stropping and honing.



IN CANADA

Throughout the length and breadth of the Dominion are to be found branches of The Royal Bank, serving the people of Canada and assisting in the development of sound business enterprise.

THE
ROYAL BANK
OF CANADA

OVER 700 BRANCHES IN CANADA
AND 30 OTHER COUNTRIES

DOSCO CHIEF

Following retirement of Sir Newton Moore, Arthur Cross has been elected president of the Maritime's largest industry — Dominion Steel and Coal Corp.

SEE WORLD RECOVERY NEARER WITH FRENCH MOVE FROM GOLD

(Continued from page 1)

and with what effects devaluation would take place, made them wary of committing themselves too deeply.

Immediate Effect Short-lived

The immediate, short-lived effect of devaluation will be to hamper trade. Merchants admit cabling instructions to agents abroad to delay trading operations until currencies have been placed on a more definite basis. It is indicated, however, that business will then be resumed with improved volume.

Exports from the devaluing countries will likely be the first to feel the effects of the currency change. It will be cheaper to purchase in those countries. Imports will have to confront the additional protection afforded by devaluation, at least until revision of existing restrictions has been made.

Within conservative limits, stabilization should also lead to a resumption of international long-term lending, and restore a more normal relationship between debtor and creditor nations.

Devaluation Anticipated

Many regard the "worst" as over. Devaluation by the gold bloc — in reality France, as Holland and Switzerland would be forced to follow her lead, willy nilly—had been considered inevitable for many months. The danger lay in the method by which the actual depreciation was to be effected and what means would be taken to ensure that there would not be a competitive currency devaluation race. On the whole, the proposals have been put into effect in an admirable manner.

The policy actually adopted bears a striking similarity to that proposed by the majority of a group of economists who met at Antwerp more than a year ago. Those present, with the exception of representatives of the gold bloc countries, advocated that 3 distinct steps be made.

In the first place, there should be an assurance by those countries which had already devalued that they would go no further. In securing the active co-operation of Great Britain and the United States, France adequately fulfilled this condition.

Require Equilibrium

Secondly, the economists recommended that the gold bloc devalue on a basis which would provide some equilibrium with other currencies. Most are agreed that the extent of devaluation in France and Switzerland will be sufficient to bring their currencies into line. Holland has gone further in permitting the guilder to seek its "natural" level on the exchanges, although a stabilization fund will be employed to offset sharp fluctuations.

Thirdly, it was proposed that an international agreement be arrived at between the financially most important countries providing for monetary stabilization. This agreement would do no more than give a guarantee that arbitrary fluctuations would be avoided. Provision would be made that exchanges would be allowed to fluctuate more than they did under the old pre-war gold standard. And even these limits of fluctuation would be provisional and subject to alteration.

The proposals of the Antwerp economists, however, implied only a temporary monetary system. Out of the experience gained in its manipulation might be formulated some more permanent, satisfactory scheme.

The obstacles in the way of effective maintenance of exchange control must not be underestimated. As yet, only a beginning has been made, and too little has been disclosed to justify any very definite conclusions.

The major problem which must be faced lies in the internal situation in France. If French industry can be revived, if prices can be controlled, there is a good chance of success. French business, drugged by the influence of a currency for the past 3 years far out of line with those of other leading nations, is likely to show but hesitant recovery pending the effects on production costs of social legislation and labor unrest. Moreover, France has still to deal with an acute national finance situation.

The nightmare conjured in the minds of Frenchmen by the word devaluation has featured a skyrocketing cost of living. Such was the experience in 1928 when the franc was cut to about 1/5 of its former parity. The example of controlled devaluation in other countries, notably England, has allayed the fears aroused at that time only in small measure. The effect of measures proposed by the French Government to control the price level cannot as yet be estimated.

Dosco Places Contract For Steam Generating Units

MONTREAL.—Dominion Steel & Coal Corp. has placed an order with Babcock-Wilcox and Goldie-McCulloch Ltd., of Galt, Ont., for equipment for 2 large steam generating units. The order will ensure work for employees in the Galt plant until next spring.

The Nation's Business

(Continued from page 1)

companies to make substantial adjustments.

* * *

AS BETWEEN the Alberta and the Saskatchewan methods there is no doubt as to which is the better. There is always a business-like and honorable way in which debtors may obtain relief from debts that overburden them. That is through a fair arrangement with creditors.

It has always been the custom in business, particularly on the part of wholesalers, to cancel debts under certain circumstances and give a man a fresh start.

The wholesaler knows that if he can re-establish a man in business there is a prospect that he will make a profit on future transactions —which is better than crushing him.

Many men have gone through bankruptcy proceedings and made a fresh start, moving onward to success. In many other cases, full disclosure of the situation has been made and creditors have agreed to some compromise. In all such cases, however, the debtor has been expected to do everything he could to pay his just debts. Debt adjustment by agreement has always been the simplest plan in the case of farmers.

This is an entirely different matter, however, from the new tendency that seems to be encouraged by governments, that if debts are embarrassing and a burden they should be repudiated.

* * *

WITHOUT doubt the debt adjustment scheme will do much to alleviate the burden of farm indebtedness in Saskatchewan and to bring about a much needed deflation of that debt. At the same time it will enhance the government's reputation for straightforward dealing and improve the position of the lending institutions as regards loans made in Saskatchewan. The new mortgage security will be of much higher standing than the previous one since the possibilities of collection will be considerably greater.

An unfortunate aspect of the situation is that some people will interpret the adjustment as resulting from fear that Alberta legislation might spread. For this, the lending institutions have themselves to blame. Negotiations leading up to the adjustment commenced early in June. Final arrangements were to have been made early in September, but due to inability of members of the government to attend meetings had to be deferred. But the negotiations were conducted so secretly that they did nothing to hold up the hopes of debt-ridden farmers. And there is little doubt that the Aberhart debt scheme prodded along the drought area adjustment, which was moving but slowly to conclusion.

* * *

THE Financial Post has always believed that the average western farmer was a reasonable person. The average lender of money is also a reasonable person and where a borrower is unable to meet his obligations it is seldom difficult to make reasonable adjustments. The banks have already readjusted most of their western loans and given their debtors a fresh start. The land lenders have not been able to move as fast. If the institutional creditors have been slow to accept cuts it has been because they have had to be certain that they were being fair to the investors for whom they acted as trustees. The voluntary agreement with Saskatchewan is definite proof of the willingness of insurance and mortgage companies to be fair, a desire previously evidenced by thousands of individual adjustments and by arrangements made through the Farm Creditors Scheme. And yet this "fair" scheme will bear heavily on thousands of private investors whose money is directly or indirectly at stake.

The voluntary adjustment arrived at in Saskatchewan adds further strength to the demand that the Dominion government disallow the Alberta legislation. The Alberta government has been loud in its attacks upon "the financial interests" and their supposed unwillingness to co-operate to reduce the burden of debt in the West. The Saskatchewan adjustment destroys this argument entirely.

* * *

IT IS not too late for Alberta to benefit from Saskatchewan's experience, to achieve its proper objective of writing down farm debt and yet do it without the accompaniment of destruction. The Reduction and Settlement of Debts Act threatens to ruin Alberta's credit and greatly injure the farmers' prospects of getting new capital in later years when they will need it. But even now suspension of the act and negotiation of an agreement with the lending institutions would do much to restore the standing of the province.

Despite the present lack of confidence of business in the Alberta administration the way would be open for such negotiations if the government would reverse its present course. All that is needed is a demonstration that the province is willing to adopt honest and straightforward methods. In the long run the province has much to gain from such reversal of policy for it would do much toward restoring its credit. And its private debtors too would gain more from debt adjustment plans that would leave the door open for new capital investments than from legislative "force majeure" that will close the doors.

* * *

Bracken's Effort To Carry On

PREMIER BRACKEN seems prepared to carry on in Manitoba, in spite of his election reverses. He has just reorganized his cabinet, taking in four new members to replace losses by defeat and resignations. All of these from his own followers who number much less than half of the legislation.

The support of 5 Social Crediters from country constituencies, together with the anticipated support of 2 independents, is counted on for a sufficient, if very slim, majority over the combined Conservatives, Independent Labor and C.C.F. members. Social Crediters who have not had the good fortune to be elected to the legislature, with the assurance of an income of $7,200 in indemnities during the 4 years, seem to lack enthusiasm for the plan of their representatives in the Legislature to support the government to avoid bringing on another election.

* * *

A MORE intelligent arrangement for carrying on government would have resulted from amalgamation of Government supporters with Conservatives, the second largest group in the legislature. In Manitoba's provincial affairs there appears to be no reason why federal party lines should continue to be drawn. Mr. Bracken himself heads a party which originally drove a Liberal Government out of office. Lately he has been leading a "Liberal - Progressive" Government, and not always do people remember to insert the word "Progressive." The 2 major parties are in grave danger of proving to the satisfaction of the electorate that neither one, nor both together, is capable of carrying on the affairs of the province. They might do well to remember what occurred in Alberta where Conservatives, Liberals, and the United Farmers of Alberta demonstrated a corresponding condition. That disunion, even more than the mirage of Social Credit dividends, resulted in Mr. Aberhart's victory.

* * *

The Wage Tax In Manitoba

OUTSIDE of a clash of personalities, the principal difference between the Conservative platform and Mr. Bracken's in the Manitoba election appeared to concern the provincial wage tax of 2%. Premier Bracken may have to abolish it in any event, to maintain a precarious hold on office. How the budget can be managed without a tax that brings in some $1,700,000 annually is difficult to see, unless agriculture begins to bear some of the load of provincial taxation from which it has been almost wholly relieved during recent years.

The basic principle of a wage tax — broad distribution of the burden — is sound. It is not only that people of comparatively small incomes should contribute to the costs of government, but that they do so anyway and it is well for them to know it. Any form of taxation which brings home that fact, instead of disguising it and allowing people to believe that governments either are or can be run only on the principle of "soak the rich," is useful. For the rich have not enough money to cover the extravagances of government, which inevitably hurt people of low and moderate incomes. And what is collected from the so-called rich is largely diverted from payrolls to the political area.

* * *

IN SPITE of its name Manitoba's "wage tax" is a good deal more than a tax on wages. It is a 2% tax on all income, with one exemption, that married persons with income less than $1,200 a year, and unmarried persons with less than $480 pay no tax. It is a very heavy addition to the ordinary income tax, which to Manitoba citizens is decidedly more onerous than the Dominion tax.

For example, a married man with 2 children and an income of $6,000 pays to the Dominion Government $138.60. But to Manitoba he pays ordinary income tax of $83, plus wage tax of $120, or $203.

* * *

OPPOSITION to the wage tax does not seem to have been a major factor in the election. The Government elected only 2 representatives in Winnipeg, where the tax bears most heavily, but the Conservatives, in whose success there seemed to lie the only probability of its repeal, had only 3, while an Independent, 3 Independent Labor, and one Communist took the other 5 seats. Unpopularity of the Bracken administration in Winnipeg seems to have been of longer standing and to rest on other causes than the wage tax. Premier Bracken easily defeated a Conservative in the mining constituency of The Pas. Government losses were more important in the country, where denunciation of the wage tax could carry no weight with farmers, than in urban centres.

Other governments in Canada, contemplating the extension of income taxes to bring wage earners within their scope will doubtless watch the Manitoba situation closely, in an attempt to decide the political practicability of such taxation.

SMALL INVESTORS HIT BY NEW ALBERTA LAW

(Continued from page 1)

eral confusion and uncertainty this new measure has created.

REDS SEE OPPORTUNITY
From Our Own Correspondent

EDMONTON. — Revelation of Communist efforts to capture the whole Social Credit movement in Alberta is contained in the publication by the Social Credit daily newspaper, The Calgary Albertan, of what purports to be a copy of instructions issued in a circular to Communist party membership.

Situation Favorable

Dealing with the Alberta situation, these instructions say: "Never have conditions favored successful Communist mass work as is the case today. Within the next few months we will have the possibility to recruit into our party thousands of the best people from the Social Credit movement." The circular urges the following strategy: "We must establish the closest possible relations with the Social Credit people so as not to isolate them from the unity movement, as this would only play into the hands of the reactionary forces who are now working to create a mass base for themselves among the disillusioned Social Credit followers."

The Albertan reveals that a change has occurred in the Communist attitude toward the Social Credit party. "Instead of bitter opposition," it says, "there is an apparent desire on the part of the radicals to co-operate with Social Crediters."

Shift of Power Seen

Evidence that a shift of power within the Social Credit movement is occurring is seen in Premier Aberhart's public declaration that his government did not intend to encourage repudiation of debts by individuals able to pay, following enactment of drastic debt reduction legislation. That such a declaration should be considered necessary by Mr. Aberhart offers a clue to the extent to which radical elements in his house following engineered the legislation in disregard of the wishes of party leaders and probably even of the premier himself who had never previously come out for forthright repudiation.

WOOING BRITISH COLUMBIA
From Our Own Correspondent

VANCOUVER.—Premier William Aberhart of Alberta has been wooing British Columbia again.

During a several days visit to Vancouver the Social Credit Premier made several addresses, in all of which he appealed to British Columbians to recognize the importance of "an economic unit" in the West, represented by Alberta and British Columbia. He declared that such a unit would make it possible for the West to free itself from the domination of the industrialized East and "highbrow economists."

Avoids Social Credit

Premier Aberhart was careful not to make a direct reference to Social Credit proselytism in British Columbia, even though he has repeatedly stated in the past that Social Credit would make a strong bid at the next election. The point he emphasized was that there should be greater interchange of goods between the western provinces. He said it was ridiculous for people in British Columbia to send to Montreal and Toronto for goods merely because of "high-pressure salesmanship."

"I don't come to you as a Red, waving a firebrand," said Mr. Aberhart, in an address in Vancouver. "I have the most profound respect for the British Empire. I come to you calmly, constructively suggesting that by a little co-operation between the 2 provinces we may be able to accomplish that which will benefit us both.

"Conditions cannot be allowed to drift along with the thought that they will eventually remedy themcelves. Now is the time to do something. If you delay much longer the weeds of economic destruction will have grown so widespread that nothing but a complete revolution will remove them."

Premier Aberhart in his frequent visits to British Columbia seldom sees Premier Pattullo, who not long ago branded Social Credit as "crack-pot nonsense."

Abitibi Paper	5%/53
Canadian International Paper	6%/49
Canada Steamships .	6%/41
Cities Service	5%/69
Consolidated Paper	5½%/61
Dominion Gas and Electric	6½%/45
Donnacona Paper	3-4-4½%/56
Great Lakes Paper ..	5%/55
Massey Harris	5%/47

Our new analysis of 22 dividend paying gold stocks selling from .60c. to $8.00 is ready for distribution.

H. J. Dingman & Co. Ltd.
Unlisted Securities
Established 1906
347 Bay Street, Toronto 2, Canada

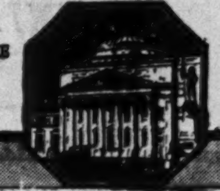
Executive Position Available

Financial house requires services of mature executive with banking or investment experience. For interview please write Box 402 — The Financial Post, 481 University Avenue, Toronto.

A Financial gateway
to the markets of the world.

BANK OF MONTREAL
Established 1817

MODERN, EFFICIENT BANKING SERVICE
. . . the outcome of 118 years' successful operation . . .



Select comfortable shoes in comfort . . . .

Your comfort and convenience are of first consideration in SIMPSON'S spacious new Shoe Department for men.

Already, this newest section of The Store for Men is creating much favorable comment . . . leading more and more Toronto men to say "SIMPSON'S is certainly THE spot in town for shoes!"

More important than the comfortable, modern setting, is the great selection of comfortable Fall shoes now awaiting your approval. These are the shoes that win fame for their front-rank style, irreproachable quality and superb value.

You are cordially invited to inspect this new store at your leisure. Note particularly the aristocratic "CHURCH" Shoes, at $13 to 14.50, imported from England. The entrance to this new department is conveniently located on Queen Street, across from the City Hall.

Simpson's

Obituary

G. K. Wedlake, general manager of Cockshutt Plow Co., at his home in Brantford.

J. A. L. Donaldson, partner in Donaldson and Patterson, Hamilton, Ont., contractors. He was 61.

Norman Harris, well-known financial writer, formerly connected with Saturday Night, Toronto Evening Telegram and other papers. Was in department of Ontario Securities Commissioner for several years.

John McKinnon, secretary-treasurer of United Cigar Stores Ltd., at his home in Toronto. He was born in Glasgow 42 years ago.

FEATURES
in the October issue
THE CANADIAN CHARTERED ACCOUNTANT

Dominion or Provincial Regulation of Motor Transport
Constructive Accountancy, (with annual meeting discussion)
Irrigation Problem in Alberta
International Accounts
Some Recent Alberta Legislation

Published monthly, $2.00 per annum. Subscription open to all interested in accounting discussions. Send subscriptions to The Editor, 10 Adelaide Street East, Toronto.

MACLAREN
POWER & PAPER
COMPANY

Bought - Sold - Quoted

Analysis on request

Greenshields & Co
INCORPORATED
507 Place d'Armes, Montreal
TORONTO OTTAWA QUEBEC SHERBROOKE

I Am a Broker in Brains and Ability

I am a broker in men of executive calibre who have earned the right to seek broader fields and greater opportunities. My service is strictly confidential and is rendered without charge to leading business organizations.

If you are the directing head of a business organization and require one or more executives of highly specialized ability and outstanding achievements, it will pay you to outline your requirements. I have exactly the man you want, or can locate him for you quickly.

To men who have earned the right to command executive responsibilities: I act as intermediary in negotiating new connections. If your record of achievements will stand closest scrutiny, if you can supply impeccable references, I may have exactly the opening you seek, or can find it for you. My fees are quite modest in comparison with service rendered. Your identity will be covered and present connection fully protected. For complete information, write

J. B. Fraser
Executive Placement Consultant
36 Toronto Street Toronto, Ontario

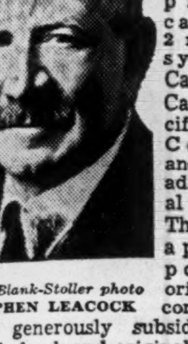
Our Gathering Financial Crisis

Railway Losses Menace Solvency

Public Ownership Experiment With Old Inter-Colonial Grows to Mammoth Proportions and Staggering Deficits

By STEPHEN LEACOCK

The worst feature of Canadian public finance, worst because it never need have been created — is that of the railways.



Blank-Stoller photo
STEPHEN LEACOCK

As most people know, there are practically only 2 railway systems in Canada, the Canadian Pacific Railway Company and the Canadian National Railways. The former is a private corporation, originally incorporated in 1881, generously subsidized with prairie land, and originally, to some extent, with money. By means of it the North West was opened up, the Atlantic joined to the Pacific, and Confederation rendered geographically possible.

The company, after a hard initial struggle, grew and flourished. From the time of its inception the company paid dividends in varying amounts until 1911, when the maximum rate of 10%, which was to be maintained until 1932 without a break, was reached. Its subsidiary enterprises—mines, steamers, hotels—were an added source of revenue. Its shares—nominally $100 par value—sold as low as $33 in 1895, and sold before the War almost up to $300. It had the western field all to itself; the East it shared with feeble competitors.

The First Sore Point

One of these was the Inter-Colonial Railway—from Montreal to Halifax—built as a military necessity with the aid of Imperial finance. Initially, it was not expected to make money, and it lived up to the expectation. The poor mostly rode free, and the rich travelled on passes. The conductor sat and smoked with the passengers like a ship's captain at his exalted table.

Freight rolled along—when there was any—on its own terms. The thing was too good not to pass it around. So when Prince Edward Island was to be coaxed into the Dominion (1873) its bankrupt railway and its ferry service became a part of the Inter-Colonial. A rich and rising country carried the burden easily enough, just as a strong man can carry a sore finger. But the gangrene was there just the same. It is now working through the whole system.

The Grand Trunk

The other original competitor of the C. P. R. in eastern Canada was the Grand Trunk Railway, intended to link the Great Lakes to the Atlantic: a company of great opportunities, which it never realized. It had absorbed a group of minor roads in Ontario and Quebec, but it never paid a dividend on its common stock, being managed, or mismanaged, from London. The C. P. R., organized and conducted by a group of men of exceptional talent and enterprise, was soon able to compete successfully with the Grand Trunk on its own ground.

It was this situation which Sir Wilfrid Laurier, whose true function was benevolence and not business, proposed to turn to political account by organizing a second transcontinental system, based on the co-operation of the Government and the Grand Trunk. The Government and the Grand Trunk were to build a railway from tide water in New Brunswick (Moncton) to a northern (ready-made) port of the Pacific, presently called Prince Rupert.

Railway Sinkhole

Greatest of all Canadian government losses has been the vast and increasing drain of national resources represented by the Canadian National Railway system, Professor Leacock, prominent Canadian economist, stated in his first article in this series last week.

In the accompanying article Professor Leacock amplifies that statement. He traces Canada's disastrous experiment in publicly-owned railways from the old Inter-Colonial which was not expected to make money and "lived up to the expectation" to the present colossal agglomeration with its accumulated deficit of billions of public money.

A summing up of Canada's gathering financial crisis will be published in a subsequent issue.

From Nowhere to Nowhere

From Moncton to Winnipeg the Government was to build and own the line, as a National Transcontinental spanning the St. Lawrence by a bridge just above Quebec. This was the last word in American railway construction. In England and in Europe railways were built to connect existing cities; in America, to connect cities not yet existing—the railway at the start going from nowhere to nowhere. The railway came first and the towns came after.

This new departure went farther. It went from nowhere to nowhere, passing nowhere. It was constructed far north of existing settlement. Its construction reaped a rich harvest for contractors; scandals grew like wild oats along its right-of-way. The western part of the line, from Winnipeg to Prince Rupert, was built by a new company, the Grand Trunk Pacific, its bonds guaranteed to 75% of its cost. The new company was to rent the National section for 50 years at 3% of the cost, an agreement by which everybody, except the taxpayer, wanted the cost as high as possible. But the taxpayer, as yet, didn't count. The bridge at Quebec was in the class of the Colossus of Rhodes, equally scenic and about as valuable. The system, operated in conjunction with the Grand Trunk, was a failure from the start, a millstone around the neck of Canada.

Three Transcontinentals

To make the weight heavier another stone was added. This was the third Transcontinental, the Canadian Northern, built as a private enterprise, out of old charters and odd bits, picking up government and municipal bonuses as a bird picks up crumbs. The Canadian public had lost its head with the boom. The war smashed the whole railway system. But it would have broken anyway of its own weight. By 1916 there were 40,000 miles of railroad in Canada; the frame was too big for the picture. It fell out.

To save financial disaster the Government took over the Canadian Northern (9,500 miles) in 1917. The Grand Trunk Pacific failed to make its payments. The Dominion took it over. The Grand Trunk collapsed and was taken over in 1920, its shareholders to be paid what their stock was worth. This, in the case of the common shareholders, turned out to be nothing. Their sobs are not yet hushed. Their fate now stands as a *hodie mihi, cras tibi* for a new set of common shareholders.

A Pretend System

Out of these elements of historical survival, junk, optimism and extravagance, was pretentiously created by Act of Parliament (1923) the Canadian National Railway Company, not a company at all, having neither shares, nor shareholders nor dividends. Its status is that of a little boy given an account book to let him "pretend."

Since that date the Canadian National System has dragged the country farther and farther into the slough of despond. Supposedly the system pays its operating expenses out of revenue and pays also the interest due on its inherited obligations and on the new money borrowed to maintain and expand it. Whether the operating revenue pays the operating cost is a matter that can be known only to an expert having access to the books. Railway expenditure is hard to check and easy to disguise. Maintenance cost can masquerade as capital cost. Thus the system could show a profit on its operation in reality offset by charges carried to capital.

Billion Dollar Deficit

During the last 10 years the railway receipts have been reported to cover the cost of operation, save in 3 depression years, at its highest the net income available for interest was $44 millions (1928), and the greatest deficit (1931) was $5 millions.

But the essence of the situation lies elsewhere. The net income available for interest does not suffice to meet the annual interest charge on the securities held by the public and assumed or guaranteed by the Dominion when it took over the railways, let alone the interest on money borrowed directly from the Government. In addition to this, continued expenditure, called "capital" expenditure, is made by borrowing more money on which again an interest charge must be created. Hence the cumulative deficit, added up as $264 millions when the "Company,"—save the mark!—was consolidated in 1923, added up in 1935 to $1,078 millions.

Mounting Losses

This is not the *debt.* This is just the added new deficit by which the original debt is increased. When the constituent lines of the National System were taken over by the Government they owed to the Dominion in return for appropriations, loans, and advances and interest, $527 millions. This by the end of 1935 had increased to $1,655 millions. In addition to that the National Railways owed to the public at the time of their acquisition the sum of $810 millions. This had increased by the end of last year to $1,155 millions—making a grand total long-term debt of $2,810 millions. This is not counting the $247 millions rolled up since the Government decided that "cash" deficits and eastern lines deficits should not be met by fresh railway borrowings, but by appropriations granted under Act of Parliament.

And Going Higher

The "cash deficit" from the operation of the Canadian National Railways in 1935, that is, the difference between its revenue and its cost of operation and fixed charges payable to the public, was $47 millions. The estimate of the cash deficit for 1936-37 is put at $39.9 millions, but, if there is anything in history, the railway will easily beat that and make what the stockbrokers call a "new high."

In addition to the cash deficit, there was the interest on government loans, that is, interest on money borrowed by the Government to lend to the railway. This item, some $36 millions, is included in the Dominion "interest on funded debt" and met directly by the taxpayer, as is the interest on the further item of $247 millions mentioned above.

A "company" run on this plan becomes a dangerous prodigal. It has everything to gain and nothing to lose. It has no dividends to pay, nothing to fear, and a fond parent to pay its debts. It can spend what it likes on equipment, on luxury, on "service," and its *alma mater,* the Dominion of Canada, will pay for it. It can build competing lines, run them at a loss, carry goods below cost—it doesn't matter. Its finance is that of a spoiled spendthrift—just ducks and drakes.

Drifting Mass of Wreckage

But why, it is asked, does the country stand for it? Why permit the National System—it has dropped the word "company" as too small, too mean for it—to be a national spoiled darling? The reason lies in its history. It came into the world—its original skeleton of 1903—just about the time of the clamor for "People's" railways, of opposition to trusts and monopolies. Someone had called a railway an octopus. The western farmers didn't want octopi around. They had pests enough. And perhaps, too, at the height of its prestige, the existing railway had treated the West a little bit *de haut en bas,* wouldn't build branch lines everywhere the farmers wanted them. At any rate, western agrarian opinion clamored for a "People's" railroad, and still want it. For the deficit they don't care. Let the "East" pay it. They've trouble enough without worrying over the railway problem. So the whole transportation structure of Canada drifts like a mass of wreckage, nearer and nearer to the fall. The Canadian National policy is driving the C.P.R. toward the edge. Its dividends have stopped; its shares have fallen. The farmers don't care—don't realize the danger that, if the crash comes, it comes to them also.

So here stands Canada, still upright, still with great elements of strength, but in a situation that may, if uncorrected, collapse in national disaster.

Copyright 1936, The Macmillan Company of Canada.

Travellers

Sir Albert Atkey, former lord mayor of Nottingham, among a party of 25 British businessmen who recently visited Montreal, Toronto, Niagara Falls and Banff, sailed from Vancouver aboard the Canadian-Australasian liner "Aorangi" to attend the Triennial Congress of the Federation of the Chambers of Commerce of the British Empire at Wellington, N.Z.

* * *

Hon. J. G. Gardiner, federal minister of agriculture, addressed the Edmonton Chamber of Commerce as a luncheon guest last week. He is making a tour of Alberta.

* * *

Col. L. M. Cosgrave, Canadian trade commissioner to Australia, visited Calgary in the interest of Canadian-Australian trade. He is en route to Australia after a visit to eastern Canada.

* * *

Percy E. Hopkins, well-known Canadian consulting mining engineer, has returned to Toronto after a 3 months visit in England.

* * *

Major Gladstone Murray, newly appointed general manager of the Canadian Radio Commission, will sail for Canada aboard the Empress of Britain on October 3.

* * *

J. H. Pangman, manager of the Waterloo Place branch of the Bank of Montreal, London, England, is in Montreal.

* * *

Gordon B. Johnson, veteran Canadian trade commissioner at Glasgow, Scotland, is making his first visit to Vancouver in 6 years, to interview importers and exporters. Shipbuilding, iron and steel industries of Scotland are nearing boom business conditions, he says.

Negotiate Trade With 14 Countries

From Our Own Correspondent

OTTAWA.—Canada's travelling salesman, Hon. W. D. Euler, who leaves for Australia and New Zealand in a few days to negotiate new trade agreements with those countries, is carrying out the policy on which the present government laid so much stress in its election campaign.

Negotiations with Australia and New Zealand bring the total number of countries with whom trade relations have been opened or reopened in the past year to 14. These countries normally provide about 85% of Canada's external trade.

There was no immediate need for trade discussions with Australia and New Zealand, except the fulfillment of election pledges and the belief that increased markets for Canadian produce can be obtained. The New Zealand agreement, which has been extended from time to time since it came into force on May 24, 1932, was extended to Sept. 30, 1937, only a couple of months ago. The agreement with Australia, which came into effect on August 3, 1931, continues indefinitely, unless denounced.

Urge Cheap Fare For Autos on Trains

From Our Own Correspondent

HALIFAX, N.S.—The board of trade is considering a suggestion that Canadian railways might benefit by the system adopted by American roads in carrying motor cars at the rate of a first-class fare, when accompanied by 2 passengers.

CROWN TRUST COMPANY · EXECUTORS · TRUSTEES · AGENTS

"LET US SERVE YOU AND YOUR FAMILY"

Experienced Services

Ask us about our services and charges

Crown Trust Company

WILLIAM I. GEAR, President, JOHN JENKINS, Vice-President
ARTHUR LYMAN, Vice-President, IRVING P. REXFORD, Gen. Mgr.

393 ST. JAMES STREET WEST, MONTREAL

EXECUTORS · TRUSTEES · FINANCIAL AGENTS

If smoothness appeals—
"EXPORT"
CIGARETTES
—are irresistible.

To *Maintain* their EFFICIENCY Burke, Dansereau Employees get a cup of TEA daily

Maintaining the efficiency of employees is a problem that confronts every brokerage house. Burke, Dansereau & Co. have solved the problem . . . with TEA.

"Immediate service and unfailing accuracy are primary essentials in this high-geared, nerve-wracking business", this company states. "In big markets, long hours are often necessary. Employees become fagged and weary from the strain. We have found that TEA at intervals is stimulating, refreshing and steadying to the nerves. That's why we serve TEA to our employees".

BURKE, DANSEREAU & CO. REG'D
222 Notre Dame St. West - Montreal, Que.

Members: The Toronto Stock Exchange
The Canadian Commodity Exchange, Inc., Montreal

ANYTIME IS TEA TIME

FREE DEMONSTRATION
. . . If you will write to the Tea Market Expansion Bureau, Montreal, Toronto, Winnipeg or Vancouver, we will gladly arrange to serve a cup of tea at four o'clock to your office or factory staff for one month without cost or obligation to you.

Drink more TEA for Vitality!

CANADIAN NICKEL in the Home

Hoist control room on the 2,800 foot level of the Frood Mine near Sudbury, Ontario. Like a captain on a bridge, this man operates the hoists which raise the ore from lower levels.

HE HOISTS 10½-TON BUCKETFULS of NICKEL ORE half a mile a minute

He helps to give you . . . CLEAN, PURE HOT WATER

SCARCELY CAN ONE BELIEVE that this lofty, well-lighted room, with its complicated hoisting machinery, is a cavern hewn out of solid rock half a mile underground.

A bell rings out its signal; the operator pulls a lever; and a giant skip in a distant part of the mine shoots upward at 3,000 feet a minute, dumps its load of Nickel ore and descends again.

Much of the credit for the increasing demand for Nickel the world over must be given to our research and sales departments. Realizing that Nickel does not bring new wealth to Canada until it is sold in the markets of the world they have devoted their efforts to developing and popularizing new uses for Nickel. Today Nickel and its alloys are bringing economy, beauty and longer life in factory, power house, hospital, hotel and home. Nickel lengthens the life of the steel bridge, the farm tractor, the aeroplane, the automobile. And Monel Metal, that splendid alloy of Nickel and Copper, brings cleanliness, beauty and long life to your kitchen sink, range top and hot water tank.

Write for your free copy of "The Story of Nickel" an interesting booklet dealing with the history and development of Nickel.

The silvery Monel Metal Hot Water Tank is rust-proof, corrosion-resistant, and good for a lifetime. It ends the nuisance of rust-reddened hot water in kitchen, bathroom and laundry. Now procurable at greatly reduced prices. Ask your plumber.

NICKEL · MONEL METAL

THE INTERNATIONAL NICKEL COMPANY OF CANADA LIMITED
25 KING STREET WEST, TORONTO

Investment Trends

Markets Welcome Franc Devaluation

Removal of Uncertainty Considered Helpful in Securities Markets — Longer Range Effects Appear Favorable to Recovery Movement

Devaluation of the franc has been taken as a welcome relief from uncertainty. This was shown in the upward movement of stocks after the initial devaluation proposals were announced. While longer term results of devaluation are not entirely clear, it seems likely to contribute to improved international trade and to relieve political tension in the gold bloc countries.

For some time there has been apprehension lest franc devaluation bring liquidation of European holdings of Canadian and American securities. This may only develop gradually, but it remains a possibility.

British investment advisers continue optimistic over the outlook for the Canadian newsprint industry and expect even better prices for depreciated pulp and paper securities.

Franc and Stocks

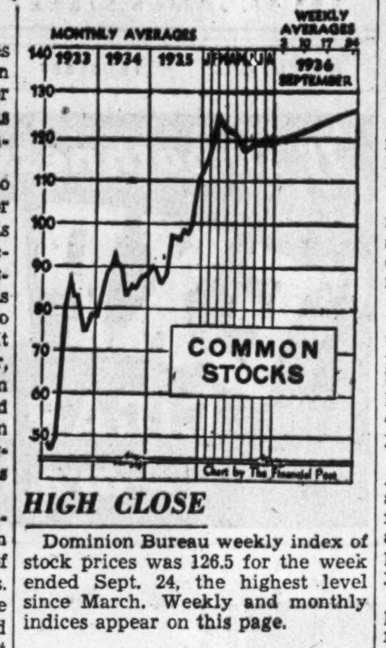
DIPPING of gold bloc countries led by France into devaluation means virtual stabilization of major international currencies. This has been awaited as a forerunner of improved international trade.

The new developments seem to confirm the price of $35 an oz. for gold. The rise of gold shares is based largely upon this price factor. It is a solid foundation for present high prices for gold stocks as long as governments are willing to buy unlimited gold at the price. It seems wrong to suppose, however, that growing international inflation means even better things for gold stocks. If gold is fixed at $35, then gold shares do not benefit from rising prices for other goods, such as foods and clothing.

Another important result of devaluation is to increase the value in francs and other gold currencies of American and Canadian securities. Consequently, Europeans may be discouraged from investing here and may be inclined to sell at a profit their previous purchases.

In the long run, however, the devaluation moves of the past week may contribute to international recovery and to improved share prices.

* * *



HIGH CLOSE

Dominion Bureau weekly index of stock prices was 126.5 for the week ended Sept. 24, the highest level since March. Weekly and monthly indices appear on this page.

Strong Action

ACTION of stock markets has been suggestive of further advance, but would be more definitely indicative of higher prices if greater strength were demonstrated in New York. Toronto Stock Exchange industrial share average has finally broken through 140, and the Montreal Stock Exchange index has been above 80. If the Dow-Jones average for New York industrials could hold above 170 it would be regarded as indicative of further advance.

Readers may recall that The Financial Post has pointed out the lag in Canadian stocks behind the rise of the past 6 months in New York. Now, Canadian markets may appear to be catching up with the Wall Street advance. They cannot be expected to "go it alone" however, so that further strength in New York would be encouraging to investors in Canadian stocks.

* * *

Investment Trusts

THE extent to which investment trusts have been restored to public favor with the recovery of security markets does not appear to be generally realized. Many investors feel that equity investments may be preferable to fixed income securities in the face of business recovery and in view of inflationary possibilities in the international credit situation. They also feel, however, that they are not competent to take risks in equities themselves and would value good management of their funds. Consequently there is revival of interest in investment trust shares, despite the unsatisfactory experiences of the depression in which many Canadian investing firms showed heavy losses to their backers.

Among the favorites in Canada are Canadian General Investments, Economic Investment Trust, Dominion Scottish Investments, and Investment Foundation. Canadian Investment Fund, Corporate Investors and Grouped Income Shares have been attracting increasing interest. Among the securities with the largest leverage possibilities, because of the substantial volume of senior securities, are shares of United Corporations, Great Britain & Canada Investment Corp., Canadian International Investment Trust.

Even in buying investment trust shares, it is well to diversify because of the dissimilar situations of the various firms, apart entirely from the differences in their investment holdings. The suggestion was made in this column some time ago that revival of investment trust flotations may be coming.

Incidentally, in buying mining shares, American investment trust managers seem to lean to the view that shares of base metal mines are more attractive now than seasoned gold shares.

* * *

U. S. Election

THE coming American presidential election continues to be regarded as one of the major uncertainties for stock markets. Opinion now seems to be growing that even though Mr. Roosevelt is returned to the White House his forces will be so weakened as to put a stop to the more Socialist types of legislation for the regimentation of American business.

Either defeat or serious weakening of the Roosevelt forces would be helpful, according to present Wall Street opinion.

SELECTING SOUND INVESTMENTS

Canada's Credit

Canada's credit has remained unquestioned throughout several difficult periods in her history — a tribute to the integrity of her people, and to her energy in developing natural wealth.

Thus Dominion Government bonds continue to be the ultimate in security, and the yardstick by which interest rates are measured for other creditors.

We consider it advisable that every investment account should include a back-log of Dominion Government securities.

NESBITT, THOMSON
AND COMPANY LIMITED
355 St. James Street West, Montreal
Branches in the principal cities of Canada

Raise Prices Of Chocolates To 60c. Pound

Laura Secord and Hunt's Still Sell 2 Pounds For $1

MATERIALS RISE

Rising prices of materials have brought increases in prices for confections.

Laura Secord Candy Shops and Hunts Ltd. have both raised the price of chocolates to 60 cents for one pound, but 2 pounds are still sold at $1. The former price was 50 cents a pound, but the 2 pounds for $1 is now termed a "bargain" price.

The new prices are aimed at improving volume and protecting earnings.

Packaged chocolates of several manufacturers have been raised to 60 cents a pound retail, compared with the former 50 cents. Wm. Neilson Ltd., Toronto, one of the large manufacturers of packaged chocolates, is still maintaining the former retail price of 50 cents a pound.

Chocolate bars in quantity are now costing retailers in central areas 87 cents a box of 2 dozen. This compares with the former price to retailers of 81 cents.

Cocoa, Butter, Nuts Higher

Cocoa has risen from about 5 cents to more than 7 cents a pound in the past year. Butter and cream have been rising fast, partly because of last summer's drought. Butter is up 4 cents a pound or more over last year's level, or about 20%.

Some nuts are up 40% in price. Almonds are costing dealers 50 cents a pound compared with 35 cents before. Spanish and Italian almonds are somewhat scarce because of the political disturbances of the past year.

Sugar prices have been up 35 cents per cwt. since midsummer in Toronto, where price-cutting has been most marked.

All this cuts into the margin of profit for manufacturers who market their products at a fixed price. In the case of chocolate bars, however, where the retail price is 5 cents, it is the merchant's margin that is reduced by a higher price. The only other way of compensating for costlier materials in lines such as chocolate bars would be to reduce either the size of the bar or the quality of the materials.

The comparative cost of 60 cents for one pound of chocolates, as against 2 pounds for $1, is expected to help raise volume of sales. If volume is increased, manufacturers feel they can absorb higher prices for materials by reduced overhead costs.

Brompton Profit Well Above 1935

From Our Own Correspondent

MONTREAL.—Judged by returns to date Brompton Pulp & Paper will probably show a gross operating income of from $400,000 to $425,000 during 1936. This figure is before depreciation, but after executive charges and depletion and compares with $203,207 in 1935. What the final statement will show as available on the stock is problematical as increased write-offs for depreciation will cause a substantial reduction in net figures. Last year depreciation charges totalled $281,385.

The improvement in earnings is reflected in net working capital. Currently the company is reported to have a margin of $2 millions over current liabilities, as against $1.5 million at the close of 1935.

Rolland Paper Co. Reconstructs Directorate

From Our Own Correspondent

MONTREAL.—Several changes of importance have taken place in the board of directors of Rolland Paper Co. as a result of the setting up of a voting trust control. Francis St. Pierre, I. W. Killam, H. J. Symington, and A. G. MacKinnon, all of Montreal and Donald Fraser, of Plaster Rock, N.B., have resigned. They are replaced on the board by Jean Paul Rolland, J. Weldon, Hugh McKay, A. S. Torey, and Alderic Raymond, all of Montreal, and J. Y. Murdock, of Toronto.

Winnipeg Electric Co. Exchange Capital Stock

From Our Own Correspondent

MONTREAL.—Preferred and common shareholders of Winnipeg Electric Co. are being notified that arrangements have been made for the exchange of securities.

Under the reorganization plan holders of the old preferred receive one new prefered and ½ share of Class B stock for each share held, while the old common is exchanged on a share for share basis for the new B stock.

Investment Notes

Brazilian Traction—Only explanation in stock market circles for this week's sudden strength in the shares is unofficial rumor that another dividend may be forthcoming. The possibility was mentioned months ago in this column, but it is still just gossip, although the last time the market anticipated a payment it was right. The dividend talk is based partly on expectations that franc devaluation will help Brazilian exchange to the company's advantage.

* * *

Distillers Corp.-Seagrams — Samuel and Allan Bronfman, president and vice-president, respectively, each own one share of stock. Through United Securities Co., Brintcan Investments Ltd. and Mercantile Holdings Ltd., they hold indirect interest in 978,163 shares out of the total issue of 1,742,645 shares.

* * *

Int. Paper & Power — Albert H. Wiggin, a director, indirectly holds 27,478 shares 7%, preferred, 6,100 class A common, 5,000 class B common and 16,900 class C common shares.

* * *

Maple Leaf Milling—The annual report which is to appear in a few days will show improved earnings, and if the company shows any real signs of return to its former profits the new common and class A preferred shares will increase in popularity. Millers are getting better margins on exports although volume hasn't risen much. If exports were substantially improved, Maple Leaf shares would have possibilities of regaining investment status.

* * *

Brown Co.—A sharp advance in the value of Brown Co. securities resulted from a report that the company had received a contract for 60,000 tons of "Selko" and rayon pulp from Japanese textile interests. This is reported to be the largest order ever received by the company. While Brown Co. is an American enterprise, it owns and operates a large sulphite mill at La Tuque, P.Q. Moreover there is a substantial Canadian investment interest in its securities.

* * *

Lake of the Woods Milling.—Has recorded a substantial advance in value this year. Reports are that the company is currently earning about $4 a share. No dividend action can be taken on the common until the preferred arrears are cleaned up. While there is nothing official to go on, it would not be surprising if the company were to take steps shortly to start cash payment on these arrears which now amount to over $28 a share. Another possibility suggested is that the company may offer common stock in lieu of arrears. There would be no great dilution of the common and if earnings are as good as reported, something might be paid on the junior security.

* * *

Asbestos Corp. common stock touched a new high this week. The advance in value of this security since the beginning of the year has been a feature of the Montreal market. Earnings have been increased rapidly and the improved financial position of the company holds out the hope that the common shareholders will be well repaid before long.

* * *

Gypsum, Lime—Interest in Gypsum, Lime and Alabastine (Canada) stock is stronger in view of the brighter prospects for the building industry. This company manufactures a broad line of building materials and should benefit through the government's housing programme. Finances have been weakened by the depression, but earning power could come back quickly with a renewal of buying.

* * *

Montreal Power — Heavy investment buying is reported in Montreal Power common stock. This is reflected in a steady advance in the price to between 33 and 34. The fear of possible government interference is diminishing and with the renewed confidence comes a broader interest in Montreal Power's stock, which for a long time was the most popular trading medium on the Montreal Stock Exchange.

* * *

Root Petroleum Co.—Stuart G. Lyon, officer of the company, acquired 2,600 common shares of the company, and, through a partnership, increased common shareholdings by 6,000 to 35,858. He disposed of 40 convertible preferred shares and through an investment company increased common holdings by 200 shares to 3,500.

* * *

Pantapec Oil of Venezuela.—W. F. Buckley, officer of the company, decreased his holdings of the company's common stock to 700 from 2,900 by returning 2,200 shares borrowed in February, 1930. E. A. Pierce, a director, acquired 3,075 shares by distribution in December last and through E. A. Pierce & Co. disposed of 34,773 shares.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Iron and steel 15	Pulp and paper 6	Milling 5	Oils 5	Textiles and clothing 11	Food and allied products 18	Beverages 9	Total industrials 89	Total utilities 23	Total co's. 112
1929-35:*										
High	388.9	113.4	273.4	423.5	113.5	197.8	205.4	317.6	166.0	232.6
Low	39.8	2.8	37.7	83.6	28.0	72.1	28.5	49.3	33.1	40.9
Monthly Figures, 1936:										
January	130.3	18.6	80.0	231.0	75.5	153.6	151.7	187.7	52.4	117.8
February	140.5	20.2	84.3	246.5	74.0	158.7	151.7	200.0	57.0	126.1
March	136.5	18.5	88.7	237.3	73.1	153.0	140.1	194.8	55.5	122.8
April	131.7	17.5	91.0	244.5	71.3	150.7	131.7	194.2	53.2	121.4
May	125.1	16.7	87.3	234.0	68.1	145.7	131.4	187.9	52.5	117.9
June	125.3	17.5	86.5	228.1	67.4	149.2	129.3	189.3	53.3	119.0
July	126.0	18.6	87.0	224.3	66.8	153.9	131.6	190.1	53.8	119.6
August	128.5	18.0	89.9	218.9	68.0	157.1	135.7	191.4	53.1	119.9
Weekly Figures, 1936:										
Sept. 3	133.3	18.1	90.7	220.4	69.0	159.6	136.9	194.6	53.1	120.9
Sept. 10	135.7	18.8	91.1	219.7	70.0	161.6	136.8	196.9	53.9	122.4
Sept. 17	136.2	18.8	91.0	222.2	70.8	162.9	135.9	199.6	54.0	123.8
Sept. 24	139.0	20.1	96.1	223.4	71.2	166.2	138.5	204.9	54.3	126.5

*High and low of years from 1929 to 1935 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Sept. 29	143.43	139.10	151.48
Sept. 28	139.85	139.20	150.31
Sept. 26	140.53	139.91	150.78
Sept. 25	138.79	137.23	149.13
Sept. 24	140.40	140.55	151.71
Sept. 23	140.63	140.00	153.07
Month ago	135.18	142.70	143.58
Year ago	109.23	103.78	91.17
High, 1936	143.48	150.46	154.04
Low, 1936	125.71	115.97	123.59

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Sept. 29	74.0	81.3	78.9
Sept. 28	73.1	80.6	78.1
Sept. 26	72.7	80.5	77.9
Sept. 25	72.0	79.6	77.1
Sept. 24	72.0	80.9	77.9
Sept. 23	72.2	80.3	77.6
Month ago	70.9	75.8	74.2
Year ago	59.6	57.2	58.0
High, 1936	73.4	80.9	78.9
Low, 1936	67.2	69.5	68.9

Great Lakes Bears Costs Of $442,893

Not Paying Interest of $150,000 Due Oct. 1

LAW COSTLY

Holders of bonds of Great Lakes Paper Co. this week learned that it was necessary to provide $442,893 for reorganization expenses and other claims when the new company took over from the liquidators.

C. H. Carlisle, the new president, cites this large outlay, among others, as reason for nonpayment of bond interest of $150,000 due Oct. 1, in a letter to bondholders.

Letter Explains

After explaining that additional building and roads of self-liquidating nature are necessary to lower the company's costs, Mr. Carlisle's letter states:

"In taking over the assets from the liquidators, it was necessary for us to provide $442,893.57 for the payment of reorganization expenses and claims then due. This has been caused in a large degree by delay and litigation entailed in consummating the sale to us and securing its approval by the court. We also provided $150,000 for payment of interest due and payable March 31 last. Your company has sufficient banking accommodation to carry on all operations with the exception of permanent improvements. These must be met out of earnings. It is advisable to have a somewhat better cash position than at the present."

Costly Business

It is understood that reorganization expenses amounted to about $400,000 and the remaining $42,000 was for sundry other claims. The reorganization expenses are believed to be comprised chiefly of fees in 6 figures for the trusteeship of National Trust Co., and of several 5-figure lawyers' bills. The reorganization expenses exclude the receiver's fee of $5,000 a month, which totalled some $227,000 including provision of head office for the company at Toronto from 1931 to 1935.

The expenses would have been much less had it not been for opposition to the scheme of reorganization which was carried into court and to the Ontario Government.

One well-informed commentator puts it: "The reorganization expenses were terrific." Some bondholders use stronger terms.

Expenses Compared

Working capital at June 30, 1935, was approximately $1,058,000, so that the strain of large cash payments is apparent. A whole year's interest on the $6 millions of new 5% bonds is less than the reorganization expenses.

Costs in the Great Lakes affairs are less than for Price Bros. & Co., another large newsprint receivership. It is said that expenses of the bondholders' committee in the various Price Bros. reorganization schemes amounted to well over $1 million.

Heavy legal fees contributed largely to the burden of costs in both cases. In both, however, large costs for legal work were incurred outside the companies themselves, so that the reorganization expenses do not tell the whole story.

Outlook Promising

In his letter, Mr. Carlisle reports progress and holds out hope for the future of the Great Lakes earnings. In asking for the co-operation of bondholders, he states:

"The outlook for your company is quite promising. Expenses and costs have been materially reduced, profit increased, production increased. Your plant is now operating to full capacity of 24 hours a day; 1937 prices have been increased by $1.50 per ton. Negotiations are pending for the disposal of certain assets of the company which are not essential for its operations. The Government is re-allocating the timber limits which should prove beneficial not only to your company but to the industry. Those in charge of management are giving their best efforts to establish your company on a sound and permanent basis."

Railway Earnings

Canadian Pacific Railway

August:	1936 $	1935 $	Increase $
Gross earn.	12,009,638	10,936,576	1,073,062
Work exps.	11,375,153	10,428,236	946,917
Net earn.	634,484	508,339	126,145
From Jan. 1:			
Gross earn.	85,631,414	78,594,767	7,036,647
Net earn.	8,404,584	8,096,540	308,044

Canadian National Railways

August:	1936 $	1935 $	Increase $
Oper. rev.	15,733,625	14,196,470	1,537,155
Oper. exps.	15,053,044	13,626,798	1,426,246
Net rev.	680,581	569,672	110,909
Aggregate to Aug. 31:			
Oper. rev.	116,491,348	109,199,397	7,291,951
Oper. exps.	113,248,524	105,356,066	7,892,458
Net rev.	3,242,824	3,843,331	*600,507

*Decrease.

Public Utility Earnings

Barcelona Traction

June:	1936 Pesetas	1935 Pesetas	% Incr.
Gross earnings	9,298,421	9,224,632	0.79
Oper. expenses	3,643,579	3,468,864	4.79
Net earnings	5,654,842	5,755,668	*1.78
6 Mos. ended June 30:			
Gross earnings	62,202,277	61,291,218	1.46
Oper. expenses	22,790,655	22,571,404	0.96
Net earnings	39,411,622	38,719,814	1.76

*Decrease.

Mexican Light and Power

July—	1936 $	1935 $	Decrease $
Gross earn.	483,506	664,112	180,606
Oper. exp.	454,794	480,271	25,477
Net earn.	28,712	183,841	155,129
Seven months—			
Gross earn.	4,489,369	4,461,814	*27,555
Net earn.	1,252,724	1,262,864	10,140

*Increase.

East Kootenay Power Co.

August:	1936 $	1935 $
Gross revenue	40,939	37,641
Oper. expenses	11,691	10,968
Net revenue	29,248	26,673
5 Mos. end. August:		
Gross revenue	189,519	183,015
Oper. expenses	58,664	55,992
Net revenue	130,855	127,023

Jamaica Public Service

August:	1936 $	1935 $
Gross earnings	72,484	69,628
Net earnings	28,273	26,430
Surplus after charges	19,666	19,843
12 Mos. end. Aug. 31:		
Gross earnings	876,200	846,663
Net earnings	349,515	345,931
Surplus after charges	245,546	241,767

May Raise Rates For Newspapers

From Our Own Correspondent

OTTAWA.—Higher postal rates for newspapers in Canada are now under discussion by a small subcommittee of department officials, The Financial Post learns.

Post office officials claim to have made out a good case for higher rates in view of existing conditions and the matter has now been passed to this small committee for discussion and investigation. If the committee brings in a favorable report it is probable that legislation increasing postal charges to newspapers will be brought down in the next federal budget.

Although the powers of this committee to collect evidence are fairly general it is not yet known whether any effort has been made to get the views of the newspapers and other interested groups.

Foreign Power Watches Franc

Position of Canadian Holding Company Affected

From Our Own Correspondent

MONTREAL.—Devaluation of the French franc is of considerable moment to Foreign Power Securities, a Canadian-owned holding company with several millions invested in French utility securities.

With the exchanges closed it is rather difficult at this time to tell just how Foreign Power will fare as a result of the devaluation. When trading on the French exchanges is restored, it is expected that securities values will adjust themselves to the new valuation. In that event the value of Foreign Power's holdings should not show any appreciable change, so that the company will be able to maintain full security back of its collateral trust bonds.

May Affect Income

The high premium paid on French francs when converted into Canadian funds has been of importance to the company in maintaining revenue. If there is no change in dividend rates, Foreign Power's income in francs would remain unchanged, but conversion into Canadian dollars would result in a heavy loss to the company.

In the year ended October 31 last Foreign Power reported a Canadian income of $221,561 and $202,542 after taking care of administrative expenses and taxes. Interest on bonded debt amounted to $183,972, so that there is little or no margin to act as a buffer against the devaluation of the franc.

Motor Sales Show Uneven

But Most Cars Show Increase in August Sales

Further gains in new car registrations are reported for August in Eastern Canada. Figures compiled for Canadian Automotive Trade show many leading makes increased sales as compared with the same month last year. For 4 cars, sales were lower.

In Ontario the increase in new car sales was almost 22%.

In Quebec, sales were maintained at slightly above last year's total despite the upsetting influence of a provincial election in that month.

Similarly with sales of commercial vehicles the increase for Eastern Canada in August was 19%, due largely to a 47% gain in Ontario, according to Bus and Truck Transport.

Comparative figures for leading makes follow:

New Passenger Car Registrations (In Eastern Canada)

	Aug., 1936	Aug., 1935	Year to date 1936	Year to date 1935
Chevrolet	1,095	757	14,951	11,135
Ford	842	855	12,427	14,791
Dodge	429	343	6,601	5,226
Plymouth	458	382	6,450	5,664
Oldsmobile	223	238	3,426	3,776
Pontiac	164	253	2,991	3,211
Buick	136	76	2,208	740
Terraplane	105	116	1,597	1,478
Chrysler	108	83	1,752	1,402
Packard	81	58	890	455

New Commercial Car Registrations (In Eastern Canada)

	Aug., 1936	Aug., 1935	Year to date 1936	Year to date 1935
Ford	296	270	3,476	3,753
Chevrolet	239	235	3,331	2,965
Dodge	90	55	1,206	875
International	87	107	1,063	1,030
Fargo	53	....	584	....
G. M. C.	44	53	524	552
Reo	20	14	175	208
White	17	8	172	110
Diamond T.	18	20	222	211
Stewart	4	4	41	17

Motor vehicles sales figures for all Canada compiled by the Bureau of Statistics show August sales up 9.9% in number of 12.3% in value. Total value of vehicles sold in Canada for the first 8 months of 1936 is $91 millions, a gain of 13% over corresponding figures for last year. Distribution of August figures shows new passenger car sales were up 11.6% in volume and 12.4% in value. Manitoba showed a gain of 36% in new cars sold; Saskatchewan 20%; Quebec, 23%; B. C., 17.8%; and Maritimes, 10.9%. Alberta sales dropped 13.6%.

Commercial car sales were 5% higher in number and 11.9% higher in value than a year ago.

Biggar Named Manager Canadian Vickers' Branch

From Our Own Correspondent

MONTREAL.—Louis H. Biggar, has been appointed manager of the Toronto office of Canadian Vickers Ltd. He succeeds H. G. Thompson, who resigned to join the staff of Canadian Industries Ltd.

Corbett Joins Board Of Maritime Telephone

From Our Own Correspondent

MONTREAL.—R. A. Corbett has been elected a director of Maritime Telegraph and Telephone Co., succeeding the late C. H. Mitchell. Mr. Corbett has long been associated with the shipping business in Halifax.

New Booklet on Government and Municipal Statistics

The 1936 edition of our Canadian Government and Municipal Statistics booklet is now available. It includes:

(1) Financial statements in concise form of the Canadian provinces and ten Canadian cities;

(2) Charts comparing the financial position of the provinces and cities;

(3) Map of Canada.

A copy of this booklet will be gladly forwarded upon request.

Wood, Gundy & Company
Limited
36 King Street West
Toronto
PHONE: ELGIN 4321
Toronto, Montreal, Winnipeg, London, Eng. Ottawa, Hamilton, Vancouver, London, Ont.

City Dairy Asks Bond Concessions

Winnipeg Meeting to Consider Proposed Prior Lien Mortgage

Holders of 6% first mortgage bonds of City Dairy Ltd., Winnipeg, are to meet in that city Oct. 23 to consider proposals for creation of $100,000 of 5% prior lien bonds. The company is a subsidiary of Dairy Corp. of Canada, Toronto.

The new bonds would be senior to the present first mortgage issue, and proceeds would be used largely to renovate and modernize the Winnipeg plant and equipment.

Varied Proposals

Proposals to be placed before bondholders for consideration are:

1. Present first mortgage bond issue, instead of 6%, to carry 5% interest payable April 1 and Oct. 1; to mature in 1956; and sinking fund defaults to be waived with redemption of $20,000 of bonds annually to start in 1942.

2. New issue of $100,000 of 5% prior lien bonds to be created, maturing $20,000 annually over 5 years.

3. An issue of $107,175 of 6% general mortgage bonds, junior to the other 2 issues, to be created.

A bondholders committee would be appointed to supervise the carrying out of the proposed arrangements.

Ottawa Power Stock Admitted to Trading

From Our Own Correspondent

MONTREAL. — New preferred shares of Ottawa Light, Heat and Power Co. have been called for trading on the Montreal Stock Exchange. It will be recalled that a short time ago the company called the old preferred shares, replacing them with a larger issue of new stock, but carrying a 5% rate, resulting in a net saving in dividend charges.

Murray Aero. Corp. Offers Preferred

Carries Bonus of Common—No Earnings Statement Disclosed

Public offering of 9,000 shares of 6% participating preferred stock of Murray Aeronautical Corp. Ltd., Toronto, is being made by Huntley Securities Ltd.

While the prospectus speaks in glowing terms of the future of aviation and aircraft manufacture in Canada, it does not disclose sales and earnings since incorporation in 1935. It refers to the present success of the company, but it does not mention profits, which are usually considered the rule of measurement of a company's success.

In explaining the purpose of the issue the prospectus states that operations have expanded so rapidly that existing facilities are inadequate for the volume of current and advance business on hand. As advance business it refers to 1,000 hours of instruction now on the books.

Murray Aeronautical Corp. Ltd.
9,000 Shares
6% Participating Preferred Stock

Company—Formed in 1935 for the purpose of building and distributing aircraft, and to train pupils for both flying and ground branches of civil aviation. The company holds the sole Canadian rights to manufacture and distribute Aeronca airplanes.

Head Office — Barker Field, Toronto, Ont.

Capitalization*—	Author.	Issued
Preferred, $10 par	$100,000	9,400
Common, $1 par	50,000 shs.	49,905 shs.

*After giving effect to present financing, 40,000 of the common shares are held in escrow.

Preferred participates equally with the common in any surplus remaining for distribution after common shareholders have been paid a dividend equal to the 6% paid to holders of preferred stock.

Assets—Total assets as July 31, 1936, amounted to $34,458. Of this amount, current assets totalled $8,707 and fixed assets, $25,742. Fixed assets include flying equipment, buildings, machinery, airport improvements and manufacturing rights.

Offering — 9,000 preferred shares by Huntley Securities Ltd., Toronto, at $10 a share, carrying a bonus of one common share for each preferred.

Foreign Exchange

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	Sept. 22	Sept. 23	Sept. 24	Sept. 25	Sept. 26	Sept. 28
U. S. dollar, High	.5906	.99 29/32	.99⅞	.99 29/32	1.00	1.00 1/16	1.00 1/16
Low	.5906	.99⅝	.99 29/32	.99 29/32	.99⅞	1.00	1.00
1935, High	.5906	1.00 11/32	1.00⅝	1.00⅜	1.00 11/32	1.01 1/16	1.01⅛
Low	.5906	1.00 11/32	1.00¼	1.00	1.00⅞	1.01 1/16	1.01 1/16
U. K. pound	4.8665	5.06½	5.06 1/16	5.08	5.02	4.98	4.94¾
Argentina	.4246	.2852	.2856	.2858	.2855	.2855	.2800
Australia	4.8665	4.0451	4.0423	4.0294	4.0060	.....	3.9500
Austria	.1407	.1888	.1888	.1888¼	.1890	.1891	.....
Belgium	.1392	.1688	.1688	.1688½	.1688½	.1686	.1692
Brazil	.1963	.0597½	.0598	.....	.....	.0595	.0590
Czechoslovakia	.0296	.0413⅛	.0413⅛	.0413½	.0413¾	.0414	.0413½
Denmark	.2680	.2263½	.2261½	.2252	.2241	.2212	.2210
France	.0392	.0657⅝	.0657½	.0657¼	.0658⅜	.0500	.0525
Germany	.2382	.4012	.4012	.4015	.4019	.4016	.3940
Greece	.013	.0094⅜	.0094⅜	.0094⅜	.0094⅜	.0094¼	.0091¾
Holland	.4020	.6761	.6757	.6756	.6749	.6692	.5470
Hungary	.1749	.1978	.1978	.1978	.1980	.1985	.1980
India	.3650	.3828	.3833	.3828½	.3824	.3823	.....
Italy	.0526	.0792	.0792	.0792½	.0793	.....	.....
Japan	.4985	.2962	.2960	.2962	.2957	.2946	.2902
Jugoslavia	.1929	.0229¼	.0229¼	.0229½	.0229¾	.0231	.0229¾
New Zealand	4.8665	4.0777	4.0749	4.0619	4.0383	3.9864	3.9620
Norway	.2680	.2547	.2545	.2535½	.2522	.2491	.2486
Poland	.1122	.....	.1886	.1887	.1888	.....	.....
South Africa	4.8666	5.0412	5.0377	5.0216	4.9924	4.9284	4.9228
Sweden	.2680	.2613	.2612	.2602½	.2588	.2556	.2553
Switzerland	.1930	.3254	.3253	.3254	.3253	.....	.3215
Hong Kong	.5422	.3136½	.3151	.3147	.3142	.3123	.3090

SALE

Province of New Brunswick, Canada

$3,500,000.00

SINKING FUND DEBENTURES

The Government of the Province of New Brunswick will receive tenders up to three o'clock P.M., A.S.T., on the 6th day of October, 1936, for $3,500,000.00 Province of New Brunswick debentures as follows,—

Debentures to be dated the 15th day of October, A.D., 1936, interest to be payable half-yearly on the 15th day of April and the 15th day of October, principal and interest payable in lawful money of Canada at the office of the Provincial Secretary-Treasurer, Fredericton, N.B., or at the Bank of Montreal in Halifax, Charlottetown, Saint John, Montreal, Toronto, Winnipeg or Vancouver, Canada.

Debentures to be in denominations of $1,000.00 or $500.00 at the option of the purchaser with coupons attached and may be registered as to principal only on payment of registration fee. Full payment for said debentures to be made at the office of the Provincial Secretary-Treasurer, Fredericton, N.B., upon delivery of interim securities at said office, cost of exchanging interims to be borne by the purchaser.

Interim Securities to be exchanged for Definitive Engraved Debentures on completion.

Definitive Debentures to be delivered to the purchaser at place named by him.

Tenders may be made for said debentures on the basis following,—
Ten year term with interest at 2¾%.
Fifteen year term with interest at 3%.
Twenty year term with interest at 3¼%.

Sealed tenders endorsed "TENDERS FOR PROVINCE OF NEW BRUNSWICK DEBENTURES" should be addressed to the Provincial Treasurer, Fredericton, New Brunswick, Canada.

Tenders must be for the amount offered and must be accompanied by a marked cheque for $10,000.00 to be applied in the case of the successful tenderer as part payment for the debentures. All bids to be made in Fredericton funds.

The above debentures will be issued as authorized by Acts of the Legislative Assembly of New Brunswick for the following purposes,—

Floating Debt	$ 700,000.00
Construction of Government Offices in the Smith Foundry Building	21,000.00
Direct Relief	300,000.00
N. B. Electric Power Commission	479,000.00
Hard Surface Roads	2,000,000.00

A sinking fund of ½ of 1% will be provided yearly during the term of the bonds, plus such additional amount as may from time to time be required by law.

The highest or any tender not necessarily accepted.

CLOVIS T. RICHARD,
Provincial Secretary-Treasurer.

Fredericton, N.B. September 21, 1936.

Bond Markets

Alberta Bonds Quoted At Record Low Level

Most Municipalities in Alberta Opposed to Compulsory Reduction in Interest—High Grade Market Develops Soft Tone

Further uncertainty with regard to Alberta has resulted in a sharp decline in prices of Alberta bonds. During recent sessions prices of Alberta bonds have dropped from 3 to 8 points, the 4% bonds, due 1949-54, being currently quoted at 50 bid. This is the lowest level yet touched by Alberta issues.

To a large extent even the price of 50 for the 4's is nominal. There is practically no market for Alberta issues at any price. While a substantial yield is obtainable at present prices there is considerable risk that if the Alberta Government continues its present course the province will be forced to go into complete default in the future.

One of the reasons for the recent drop in the market is the complete absence of institutional buying. As far as large investors are concerned Alberta issues appear entirely "taboo."

Individual bondholders are sitting tight, and the general tendency has been to refrain from cashing coupons at the reduced rates authorized by the province.

Uncertainty arising out of the French devaluation programme has resulted in an easy tone in the high-grade market, prices dropping off slightly. Investors appear to be sitting on the sidelines awaiting developments.

Western Bonds Weak

AN UNFORTUNATE aspect of the market is that Saskatchewan and Manitoba bonds are also being affected by the Alberta situation, losses up to 5 points having been recorded. The recent voluntary mortgage debt adjustment scheme for Saskatchewan has also been a factor, although the reason for the adverse effect of this scheme is not apparent. If anything, the scheme would enhance Saskatchewan's credit since it is a definite indication of the Government's honest and straightforward dealing. There is need of the Saskatchewan and Manitoba situations being considered on their individual merits.

British Columbia bonds have remained steady despite the weakness in other western provincials.

* * *

Bond Yields

IN RECENT months The Financial Post has received numerous enquiries from subscribers who wished recommendations of high grade bonds yielding 5%. At the present level of the market such an investment is impossible, the average yield on high grade government issues being about 3%. On some industrial issues a higher yield is obtainable, but most of these are subject to call.

A 5% yield can be obtained only by increasing the risk element. On high grade long-term bonds it is possible to get a higher income than on short-term bonds, but this is at the risk of depreciation. This risk, of course, is also inherent in short-term investments. However, if and when, interest rates commence to rise the increase will be gradual so that the resultant decline in bond prices will be greater in case of long terms.

* * *

Alberta Municipalities

THE Alberta legislation providing that municipalities shall not levy for more than 3% interest on their debentures has not proved as popular as the Government expected. On the part of most municipalities a willingness to meet just obligations continues to exist.

Among the larger municipalities the city of Edmonton appears to be the only one that is in favor of having the legislation proclaimed. Other cities have spurned Edmonton's invitation to bring pressure on the Government to have the act put into effect. The cities of Lethbridge and Medicine Hat are definitely opposed and Calgary is proceeding with its negotiations with bondholders for voluntary reduction in interest. Calgary, in fact, has suggested that Edmonton should follow the same course.

In discussing the legislation at a meeting of the city council of Medicine Hat, Mayor Bullivant pointed out that the saving from the proposed reduction in debenture interest would be largely illusory. The actual saving in interest to Medicine Hat would be about $60,000 annually, but against this, larger sums would have to be paid into the sinking fund because of its smaller earning power. In bringing in his legislation, Premier William Aberhart seems to have overlooked the fact that the earning power of municipal sinking funds is fixed by statute and that his legislation will necessitate larger payments to municipal sinking funds.

* * *

Calgary's Proposal

ALTHOUGH there are indications, such as improved collections of current taxes and arrears of taxes, that the position of the city of Calgary is improving, that municipality is continuing its negotiations with bondholders for a voluntary reduction in debenture interest. What the outcome of these negotiations will be it is impossible to predict, but it is definitely up to the city to show debentureholders that it is unable to meet its obligations in full. Among bondholders some doubt exists as to whether this is the case and it is generally admitted that Calgary's position is better than that of Edmonton.

* * *

Market Notes

DESPITE the weakness in the market for government issues, the corporation bond market has continued firm.

Announcement that reorganization scheme for Canada Steamships is nearing its final stages has resulted in the bonds appreciating to 56¾.

Further strength has been evident in newsprint securities, Abitibi 5's rising to 60½.

The trend of the high-grade market is indicated below:

The Financial Post Average Price and Yield for High-Grade Government Bonds

1936	Price $	Yield %	1935	Price $	Yield %
Sept. 29	116.50	3.084	Sept. 30	106.79	4.077
Sept. 28	116.75	3.060	Sept. 28	106.96	4.066
Sept. 26	117.18	3.026	Sept. 27	106.79	4.081
Sept. 25	117.25	3.021	Sept. 26	106.86	4.076
Sept. 24	117.50	2.966	Sept. 25	106.89	4.070
Sept. 23	117.66	2.983	Sept. 24	107.00	4.057
Sept. 22	117.71	2.983	Sept. 23	106.69	4.083
Year's	117.97	2.966	Year's	114.97	3.367
Range	115.50	3.597	Range	106.57	4.097

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Mt. Royal T.&T.	5%	1970	Oct. 15	105
Can. Cement ..	5½%	1947	Nov. 1	104
Gt. Lakes Pwr..	6%	Serial	Nov. 1	*
Hyd.-Elec. Pr. Ont.	3½-5%	1952	Apr. 1 '37	100
Dom. Tar, A, B	6%	1949	Nov. 16	103
Simpson's, A ..	6%	1949	Nov. 20	104
Do., B	5½%	1949	Nov. 20	104
Riordon Pulp ...	‡6%	1942	Dec. 31	105
H. Walker ...	†4¼%	1945	Dec. 1	104

For sinking fund: ‡$81.000.

*Callable on 4½% income basis.

†Partial redemption.

Stock Issues:	Rate	Stock	Date	Price
Stanfield's	6%	Pref.	Dec. 15	...

Bond Tenders

3 p.m., Oct. 6, New Brunswick—$3,500,000 sinking fund debentures, dated Oct. 15, 1936, as follows: 10-yr. 2¾ per cent; 15-yr. 3 per cent; 20-yr. 3¼ per cent. Clovis T. Richard, prov. sec.-treas. (See announcement on page 4).

Stobie-Forlong Pays 3 Cents to Creditors

Fourth dividend to creditors of Stobie-Forlong Assets Ltd. is to be paid October 7 to creditors whose claims have been approved and who are registered on Sept. 30 as holders of debentures of the bankrupt estate.

The payment is 3.015 cents on the dollar, and is announced by Fred Page Higgins, Toronto, trustee in bankruptcy. The net payment is 3 cents to the creditor, the extra .015 cents being provision for government levy. The Oct. 7 payment will total about $150,000.

Payments have been made as follows: 3.015 cents, 2.05 cents, and the last two payments of 3.015 cents each. The actual total for creditors after the Oct. 7 payment will be 11 cents, the remaining fractional payments representing the government share. The government levy is made for the support of bankruptcy machinery.

Stobie-Forlong Assets Ltd. is the remaining estate of the former Toronto stock brokerage firm, Stobie-Forlong & Co. Debentures have been issued to ordinary creditors whose claims have been proved and filed.

Shareholders Consent To New U. S. Burt Co.

Shareholders of F. N. Burt Co., Ltd., have given approval to the plan to incorporate a United States subsidiary to be known as F. N. Burt Co., Inc. This company will operate the Buffalo plant. This change was made advisable by recent changes in United States taxation laws, particularly the tax on surplus profits.

The meeting was held Sept. 25.

Maple Leaf Gardens Pays 35c Dividend

Dividends of 3½% or 35 cents a share on preferred stock of Maple Leaf Gardens Ltd., Toronto, has been declared payable Oct. 15 to shareholders of record Oct. 1. The total payment will be $28,000.

This is the second dividend on the shares, the first, also of 35 cents a share, having been paid Oct. 15, 1935.

The preferred shares of $10 each were first offered in 1931. The dividends are non-cumulative so there are no arrears although total payments have been only 7% in the 5½ years since issue.

Victoria Seeks Lower Interest

Delegation Proceeding to England to Negotiate With Bondholders

A proposal to refund $12,656,211 of debenture debt of the city of Victoria by issuing 4% sinking fund bonds, due 1972, is to be placed before over 51% of the city's bondholders by a delegation now en route to London. Bondholders in Liverpool, Edinburgh, Montreal, Toronto and New York will also be approached. The delegation consists of Mayor David Leeming; D. A. Macdonald, city comptroller and treasurer; and C. S. Henley of C. S. Henley & Co., Victoria, recently appointed fiscal agent for the city.

Mr. Henley, sponsor of the scheme, estimates that it would save the city $767,519 in debt charges in 1937, $791,465 in 1938 and 1939 and $589,616 annually from 1940 to maturity. These figures include savings resulting from replacement of serial maturities by sinking fund bonds and extension of other maturities to 1972. The reason for the larger saving in the first 3 years is that the sinking fund is not to be commenced until after the third year. Annual debt charges at the present time amount to $1,300,322.

Actually the figures are somewhat illusory. The net saving to the city will not be as large as indicated. By refunding the debt with bonds due in 1972 the debt burden is being extended over a longer period of time and as a result the total interest paid on a large portion of the debt will be greater than if it were met at the present maturity.

Provisions of Scheme

Under the proposed scheme all present debentures both sinking fund and serial, are to be exchanged for a like amount of the new issue. The bonds to be dated Jan. 1, 1937, are to be callable at par on 3 months notice.

It is proposed to isssue the new bonds in series A, B, C and D. Series A are to be payable in London; series B in London and Canada; series C in London, Canada and New York; and series D in New York and Canada.

Henley to Receive $30,000

Restrained by the courts from paying C. S. Henley $15,000 from which he was to pay the expenditures of the mayor and comptroller to London, Victoria city council altered its original arrangements. The court held that the agreement was illegal since the mayor and comptroller were parties to the contract.

Under the new arrangement the city provides $5,500 for the delegation with an additional $2,000 for the expenses of the mayor and comptroller. Mr. Henley provides an additional $5,500 for his own expenses and the expenses of the delegation. If the refunding proposal is carried through then Mr. Henley receives $30,000 plus the portion of this $5,500 deposit which is used for expenses.

Prospectus and semi-annual report of Canadian Investment Fund, Ltd., obtainable from your own investment dealer.

CALVIN BULLOCK, LTD.

Company Reports

St. Lawrence Flour

St. Lawrence Flour Mills reports a net operating profit for the year ended August 31, 1936, of $107,675. This is in contrast with $75,213 in the previous 12 months. After providing for an increase of 50% in the distribution on the common stock, there was a surplus of $31,425 as against $10,963. Earnings were $5.62 a share on the common stock compared with $2.91.

The 1936 balance sheet shows among liabilities a bank overdraft of $14,991 and a bank loan of $50,000, while accounts payable have doubled at $33,474. This is offset, in part, by a reduction in funds on deposit from $74,115 to $30,106 and the wiping out of the funded debt, which stood at $52,000 at the end of the 1935 year.

Income and Surplus Account Years Ended Aug. 31

	1936 $	1935 $
Net oper. profit	210,628	162,064
Less: Directors' fees..	5,000	5,000
Officers' remun. ...	31,583	30,500
Legal expenses	......	913
Bond interest	2,428	3,111
Premium on bonds..	5,145	25
Depreciation	30,988	31,969
Income taxes	27,808	15,333
Net profit	107,675	75,213
Less: Pref. dividends.	40,250	40,250
Common dividends.	36,000	24,000
Year's surplus	31,425	10,963
Prev. surplus	*434,079	426,940
Surplus fwd.	466,504	437,903

*Adjusted.

Working Capital Position

	1936 $	1935 $
Current assets	615,160	529,135
Current liabilities	172,241	111,069
Net working capital ..	442,819	417,066

Price Bros.

Price Bros. & Co.'s profit and loss account for the year ended March 31, 1936, shows a total revenue of $735,248, or practically the same as in the preceding 12 months, according to the final report of the receiver. These returns correspond to those reported by the receiver last May and published in The Financial Post.

The financial position of the company as at March 31 last shows bank loans of $3,450,000, as against just under $2.7 millions a year ago. Accounts payable showed an increase of over $200,000 at $679,033. Other liabilities do not show any change from those reported a year ago. Among assets cash on hand is about the same, but accounts receivable are up nearly $300,000 at over $1.4 million. Inventory values reflect the increase in business and stand at $4.3 millions, up $700,000 during the year.

Consolidated Income Account Years Ended March 31

	1936 $	1935 $
Operating profit	675,324	681,952
Dividend income	47,024	51,406
Misc. revenue	12,900	5,129
Total revenue	735,248	738,487
Less: Bank interest ...	162,808	137,267
Misc. interest	8,120	2,278
Bad debt res.	30,000	43,393
Wage adjustment ..	......	45,743
Bond interest	663,696	663,696
Depreciation	1,000,000	1,000,000
Depletion	363,067	344,846
Rental adjust.	65,600	48,390
Power adjust.	37,562	81,618
Net loss for year	1,595,625	1,628,744

Growers Wine Co.

Growers Wine Co., operating in British Columbia, earned 11 times the 7% dividend requirements on its 5,000 $10 par value preferred shares for the year ended April 30 last. On the 25,813 outstanding shares of par value $10 common before the merger this year, earnings were shown equivalent to $1.40 per share after depreciation.

The company amalgamated with the Victoria Wineries in June, 1936. Bird & Talling, Ltd., Vancouver, claims that elimination of competition and saving in overhead indicate future earnings on a higher scale.

Grower's Wine Co. was established in 1923 and has paid regular common dividends for 6 years. It obtained control of Victoria Wineries by exchange on the basis of giving one share of Grower's Wine Co. for each 10 shares of Victoria Wineries stock. By the merger assets of Grower's Wine Co. are increased from $468,000 to $636,000. Outstanding stock is 5,000 7% preferred shares of $10 par value as before and 36,900 $10 par value common shares as compared with 25,813 shares previously.

Board of directors is as follows: W. G. Murrin, president; C. R. Fawcett, secretary; R. Rowe Holland, R. S. Twining, N. H. Lamont, H. P. Simpson and H. E. Tanner. H. Anscomb is managing director.

Operating Account Year Ending April 30.

	1936 $
Gross profit after costs, etc....	106,535
Less excise and sales tax	20,556
	85,979
Sundry income	49
	86,028
Less:	
Admis. and selling exp.	35,074
Depreciation	11,078
Surplus	39,876

Working Capital

	April 30 1936
Current assets	346,559
Current liabilities	†35,753
Working capital	310,806

† Bank loan of $31,935 has since been paid off.

Westminster Paper

Westminster Paper Co. reports gross sales of $666,305 in the year ended July 31, 1936, as against $542,608 in the previous twelve months. Net revenue at $172,351 compared with $150,492. After taking care of all charges including dividends, there was a surplus of $2,709, as against a deficit of $6,148 in 1935.

Income and Surplus Account Years Ended July 31

	1936 $	1935 $
Gross sales	666,305	542,608
Sales cost	484,558	398,291
Gross income	181,757	144,317
Less: Discounts	15,561	......
Add: Misc. income ...	6,175	6,175
Net revenue	172,361	150,492
Less: Admin. costs ...	85,569	75,284
Depreciation	38,755	36,080
Interest	15,212	17,160
Income tax	11,000	9,000
Net profit	21,825	12,968
Less: Dividends	19,116	19,116
Surplus	2,709	*6,148
Previous surplus	23,941	30,089
Carried forward	26,650	23,941

*Deficit.

Dividends Declared

	This payment	Date payable	Date of record
Aanaszu Gold	†5c	Oct. 20	Oct. 20
Brewing Corp., pf.	37½c	Oct. 15	Sept. 30
Brantford Cord, pf.	32½c	Oct. 15	Sept. 19
Brewing Corp., pf.	37½c	Oct. 15	Sept. 30
Bralorne Mines ..	10c	Oct. 15	Sept. 30
Do., extra	5c	Oct. 15	Sept. 30
B. C. Power, A ...	40c	Oct. 15	Sept. 30
Bell Telephone ...	$1.50	Oct. 15	Sept. 23
Bruck Silk Mills ..	‡10c	Oct. 15	Sept. 25
Cosmos Imp. Mills	$1.25	Oct. 15	Sept. 30
Can. Indus., A & B	$1.25	Oct. 31	Sept. 30
Do., pref.	$1.75	Oct. 15	Sept. 30
Can. Nor. Pwr. ..	30c	Oct. 26	Sept. 30
Do., pref.	$1.75	Oct. 15	Sept. 30
Can. Iron Fd., pf.	$1.50	Nov. 15	Oct. 31
Can. Bronze	25c	Nov. 2	Oct. 20
Do., pref.	$1.25	Nov. 2	Oct. 20
Can. Gen. Invest.	12½c	Oct. 15	Sept. 30
Can. Oil, pfd.	$2	Oct. 1	Sept. 23
Can. Silk Prod., A	37½c	Sept. 30	Sept. 15
Can. Fairbanks, pf.	$1.50	Oct. 15	Sept. 30
Dome Mines	50c	Oct. 20	Sept. 30
Guar. of N. A. ...	$1.50	Oct. 15	Sept. 30
Do., extra	$2.50	Oct. 15	Sept. 20
Gen. Trust, pref. .	$1.50	Oct. 1	Sept. 30
Gordon & Belyea, pf.	$1.50	Oct. 1	Sept. 23
Do., arrears	75c	Oct. 1	Sept. 30
Gt. Lakes Pwr., pf.	$1.75	Oct. 15	Sept. 30
Highland Dairy, pf.	$1.75	Oct. 1	Sept. 30
Hollinger Cons. ...	5c	Oct. 6	Sept. 21
Imperial Bank ...	$2.50	Nov. 2	Sept. 30
Int. Nickel, pfd. ..	$1.75	Nov. 2	Oct. 1
Int.-State Rl'ty., A	28c	Oct. 1	Sept. 30
Inter. Milling, pf.	$1.25	Oct. 15	Oct. 3
Invest. Found., pf.	37c	Oct. 15	Sept. 30
Do., arrears	13c	Oct. 15	Sept. 30
Little Long Lac ..	10c	Oct. 20	Oct. 5
Montreal Tele. ...	80c	Oct. 15	Sept. 30
McColl-Fron., pfd.	$1.50	Oct. 15	Sept. 30
M. L. Gardens, pf.	35c	Oct. 15	Oct. 1
Mtl. L. H. & P. ..	37c	Oct. 31	Sept. 30
Montreal Tram ..	$2.25	Oct. 15	Oct. 3
New Eng. Pwr., pf.	$1	Oct. 1	Sept. 19
Do., $2 pfd.	33⅓c	Oct. 1	Sept. 19
Nat. Biscuit	40c	Oct. 15	Sept. 11
Paton Mfg., pf. ...	$1.75	Sept. 15	Aug. 31
Penmans	75c	Nov. 16	Nov. 5
Do., pref.	$1.50	Nov. 2	Oct. 21
Power Corp., pf. ..	$1.50	Oct. 15	Sept. 30
Do., 2nd pf.	75c	Oct. 15	Sept. 30
Premier Gold M. .	3c	Oct. 15	Sept. 12
Do., extra	1c	Oct. 15	Sept. 12
Rob. Cons. Cone .	25c	Oct. 1	Sept. 15
Root. Petrol, pf. .	30c	Oct. 1	Sept. 19
South. Can. Pr., pf.	$1.50	Oct. 15	Sept. 19
Smith Howard, pf.	$1.50	Oct. 15	Sept. 30
Steel of Can.	43¾c	Nov. 2	Oct. 7
Do., pref.	43¾c	Nov. 2	Oct. 7
Sheep Creek Gold.	2c	Oct. 15	Sept. 30
San Antonio Gold..	7c	Oct. 10	Sept. 21
Tuckett Tob. pf. ..	$1.75	Oct. 15	Sept. 30
Tor. Elevators, pf..	$1.75	Oct. 15	Oct. 1
Un. Bond & Share	10c	Oct. 15	Sept. 30
Do., extra	15c	Oct. 15	Sept. 30
Un. Gold Equities.	3c	Oct. 15	Oct. 6
Unit. Secs.	50c	Oct. 15	Sept. 25
West. Grocers ...	50c	Oct. 15	Sept. 30
Do., pref.	$1.75	Oct. 15	Sept. 20
Weston, Geo.	$1.25	Nov. 2	Oct. 20

‡Interim. *On arrears.
†Initial.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Drummondville, P.Q.	Sept....	Hanson Bros.	4½%	1937-66	$163,500	102.08	...

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Stock Issues—	Date Issued	Offered by	Rate	Class	Amount	Price	Yield
Lake Rowan Gold Mines	Sept....	Kippen & Co., R. O. Sweezy & Co.	...	...	500,000 shs.	50c.	...

We Own and Offer:

88,000 Shares

G. TAMBLYN, LIMITED

(Incorporated under the laws of the Dominion of Canada)

COMMON SHARES

(No Par Value)

Capitalization

(Upon completion of present financing)

	Authorized	To be Issued
5% Cumulative Redeemable Preference Shares ($50.00 par value)	6,000 shares	6,000 shares
		Issued
Common Stock (No Par Value)	112,000 shares	112,000 shares
*Deferred Stock (No Par Value)	1 share	1 share

*—The Deferred share has no monetary value, does not participate in earnings and may be cancelled upon the payment of $1.00 after January 31st, 1938. While outstanding, this share has the right to elect one member of the Board of Directors.

Transfer Agent: Chartered Trust and Executor Company, Toronto

Registrar: Canadian Bank of Commerce, Toronto

These shares have been purchased from the estate of Gordon Tamblyn, deceased, from an investment company, control of which is held in New York, and from other shareholders. The offering of these shares by us does not represent any new financing by G. Tamblyn, Limited.

20,000 shares of this offering have been sold abroad.

BUSINESS—G. Tamblyn, Limited, operates a group of sixty-two retail drug stores in the Province of Ontario. The business was founded in 1904 and has been expanded to its present size largely through the re-investment of surplus earnings. In 1914 the number of stores had increased to nine; in 1921 to eighteen; in 1926 to thirty-two; in 1931 to fifty-four and in 1936 to sixty-two. The careful selection of sites is proved by the fact that the Company has only closed one store. The conservative policy of expansion which has been followed since the inception of the Company will be continued in the future. The Company carries a complete line of drugs, medical supplies and allied products, together with other merchandise usually carried by drug stores, and operates modern prescription dispensaries in every store.

ASSETS—As of August 31st, 1936, net tangible assets, exclusive of goodwill, and after deduction of the 5% Preference Shares at their callable price amounted to $803,907 which is equivalent to $7.17 per no par value Common Share.

Net Current Assets alone amounted to $594,503, which is equivalent to more than $5.30 per share.

EARNINGS—Net earnings available for Common Share dividends, based on the report of Messrs. Price, Waterhouse & Co., Chartered Accountants, were as follows—

1929...........	$156,430.69	1932...........	$114,480.45
1930...........	141,964.92	1933...........	102,639.60
1931...........	160,153.21	1934...........	91,651.92
1935...........	$114,358.24		

Earnings as above averaged $1.12 per share of no par value Common Stock. Earnings for the fiscal year ended December 31st, 1935, were equivalent to $1.02 per share of no par value Common Stock.

Owing to certain conditions in the trade which made it impossible for the Company to adjust retail prices so as to absorb the increased sales tax in the early months of the year and other increased taxes, et cetera, net earnings for the eight months' period ended August 31st, 1936, show a decrease as against a similar period last year of $22,837.00 before taking into consideration $9,913.00 profit on securities sold in 1936. These conditions have now been rectified, and the management believe, basing their opinion on the history of the Company's business in the last four months of each previous fiscal year, that earnings available for dividends on the Preference and Common Shares for the year ending December 31st, 1936, will exceed $105,000.00.

DIVIDENDS—A dividend of 80 cents has been declared for the ensuing twelve months. This dividend will be payable quarterly, the first payment of 20 cents per share to be made on January 1, 1937.

MANAGEMENT—The same management which has proven successful in conducting the business of the Company in the past will remain in active charge of the Company's affairs.

We offer these Common Shares, if, as and when accepted and received by us, subject to the approval of all legal details on our behalf, by Messrs. Kilmer, Landriau, Rumball, Gordon and Beatty, Toronto. The solicitors for the Company are Messrs. McMaster, Montgomery, Fleury and Company.

PRICE: $16.00 per share

The right is reserved to reject any or all applications and also in any case to allot a smaller amount than that for which application is made. Interim Certificates are expected to be ready for delivery on or about Oct. 5th.

The former Common Shares were listed on the Toronto Stock Exchange Curb. Application will be made to list these shares on the Toronto Stock Exchange.

A Prospectus containing complete information will be gladly furnished upon request.

Cochran, Murray & Co., Limited — Stewart, Scully Company, Limited

W. C. Pitfield & Co., Limited — Mills, Spence and Co., Limited — H. B. Housser and Co.

Mara and McCarthy — Midland Securities Corporation, Limited

The statements contained herein are based upon information which we believe to be reliable, but are in no event to be construed as representations by us.

THE *Royal* STETSON

A hat designed for the most discriminating. Made in Canada and priced, as in New York and other style centres, at Ten Dollars.

Sold by better stores everywhere.

Other Stetsons are $7.50 (unlined $7) and up.

JOHN B. STETSON COMPANY (CANADA) LIMITED
Brockville Ontario

The Royal Stetson

Classified Advertisements

Classified ads cost 4c. per word and figure for each insertion. Minimum ad, $1.75. Three insertions for the price of two. Add five words when box number is required. Classified ads payable in advance.

Statistician

WILL undertake the compilation of any data pertaining to prices, production or finance. Box 400, The Financial Post, Toronto.

Executive - Accountant

YOUNG MAN, 29, NOW EMPLOYED, IS interested in making change to position with some firm offering greater future. Eight years office and selling experience and two years as executive. Good character, personality, first class references. Box No. 363, The Financial Post, 481 University Avenue, Toronto, Ont.

The Financial Post

Member Audit Bureau of Circulations

A weekly newspaper, presenting in a popular manner, reliable information respecting investments, business and national affairs in Canada.

The Financial Post Has the Largest Paid Circulation of Any Canadian Financial Paper

Editor—Floyd S. Chalmers

Business Manager—D. M. Gowdy

The Financial Post Business Year Book, Yearly, $2.
The Financial Post Survey of Corporate Securities, Yearly, $2.
The Financial Post Survey of Mines, Yearly, $2.
The Financial Post Record of Prospectuses, Half Yearly, $7 per volume.
The Financial Post Corporation Service, $20 monthly. Special prices for individually selected investor's service.
Directory of Canadian Directors and Officials, Yearly, $10.

Published by THE MACLEAN PUBLISHING CO., LIMITED
481 University Ave., Toronto 2.
Founder and Chairman — John Bayne Maclean
President — Horace T. Hunter
Vice-President and General Manager— H. Victor Tyrrell

ADVERTISING RATES
Single insertion—$3.64 per inch.
Debenture and Dividend Notices—26c. per agate line.
Contract rates upon request.

SUBSCRIPTION PRICE
Canada, United States, Mexico, British Empire, $5 per year, all other countries, $6.

MONTREAL—Dominion Square Bldg., Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor.
GREAT BRITAIN, London, Resident representative: J. K. Ross-Duggan, Sun of Canada Bldg., 2, 3 and 4 Cockspur St., London S.W.1. Telegraphic Address, Atabek, Lesquare, London.

TORONTO, OCTOBER 3, 1936

The Financial Post's Platform for Canada

1. Balanced budgets, achieved through economies and not by new taxation.
2. A "pay-as-you-go" policy in public spending to peg public debts.
3. Abolish politics in the C. N. R. to end deficits.
4. Appointment, promotion and payment by merit in the public service.
5. Integrity in meeting public obligations.
6. Freer foreign trade through Empire preferences and foreign treaties.

6. Freer Trade by Agreement

CANADA is one of the breadbasket nations and at the same time one of the workshop nations of the world. We have expanded our farm acreage beyond the needs of our own people for food, and our industrial machinery to the needs of world, rather than home markets.

The staple industries—first, the primary industries and then the secondary ones that are dependent upon them—must thrive if Canada is to thrive. We have to export to live as we have lived in the past. Trade isolation is not for us. It would bring down our standard of living and cause a large part of our productive equipment to lie idle,—machinery rusting, soil drifting, timber rotting.

In a world of extreme economic nationalism, where each country seeks to make itself self-sufficient in the production of the needs of its citizens, an exporting country like Canada could rapidly become an anachronism. To continue and further develop our sort of economy, we must refuse to accept policies of economic self-sufficiency as good enough. Our effort must be to keep world markets open for our goods. We must never cease to hammer on the doors of other nations nor must we take it as final if they say they do not want our wheat, our paper, our metals, our farm implements.

We have not utterly failed, even in these years of crisis, to keep some trade moving. Our exports in 1935 were (in gold) 40% of 1929; the world average was under 35%. Although much criticized, the Ottawa agreements of 1932 have proved a life raft for Canada in the four years that have intervened. They have held open our biggest and best market—that in Great Britain—and have held for us substantial markets in other British countries.

Trade treaties have helped us to meet autarchic policies in many other countries. There are few areas in the world where it is next to impossible for Canadians to sell. There are many countries where our exporters can do business on reasonable terms of entry.

We have had to bargain and at times badger our way into many markets, and we have had to make concessions in our own tariffs. At the present time the King government, through Mr. Euler, is bargaining for better terms in many countries.

The larger volume of Canadian trade will always be done between Canadians on Canadian soil.

The second most profitable field for mutually satisfactory trading operations is that of the British Empire. The dream of commercial unity—an Empire with tariff walls against the outside world and none within—is impossible of attainment, and in any event, undesirable. But preferences have a great value. Not the least of their merits is that of precept and demonstration; they show the world that trade makes for prosperity and peace and not for impoverishment. But it follows that if the Empire countries are to prove that trade is a creator of wealth they cannot do it by an exclusionist preferential system designed to bar trading between Empire and foreign countries. Just as it would be the height of foolishness for Canadians to think they could get wealthy by taking in each other's washing, it would be a spurious economic philosophy for Empire countries to think that it would be possible—or wise even if it were possible—for them to live by and to themselves.

Thus Canada, while trading at home and trading in the Empire, must still trade with the world.

In a world wracked by crisis and menaced by insecurity, sweet reasonableness in international trade is not to be expected. Tariffs that are so high that they constitute a barricade against the interchange of goods will not come down of their own accord—not in this generation — no matter how many resolutions League of Nations conferences or International Chamber of Commerce conventions pass.

A chief short-cut to tariff adjustments is by bilateral treaties, agreements between groups of two nations, to lower the tariffs between them. (The kind of bilateral treaty that provides for quotas, clearing agreements, etc., sets up new hurdles instead of tearing down old ones, and is not to be encouraged). Agreements to promote trade are the way Canada should approach and is approaching the problem.

A larger volume of world trade must bestow profit and prosperity upon Canadian producers. Our own contribution to that end may well be an extension of the very sound principle of preferences within the Empire and reciprocal agreements with other countries.

Upholding Civic Credit

AN ARTICLE appeard recently in a Toronto newspaper stating that the Ontario government intended to keep the entire provincial income tax revenue to itself next year instead of giving municipalities their share. Fortunately the statement was immediately denied by Premier Hepburn.

The Ontario income tax was first imposed this year. It deprives municipalities of the right to levy income taxes but the province reimburses them by repayment of the amounts they levied in income taxes in 1933. It would clearly be an unfair and backward step to do otherwise. The provincial government recognizes this. In fact, it is stated that as income tax revenue rises the province will consider increasing the municipal grants above the low 1935 basis.

Ontario is making progress in putting its financial affairs in good position after many years of unchecked extravagance. There is a genuine effort to balance the budget and halt the increase in provincial debt.

Municipal finances in the province, however, are still unsatisfactory. Consequently, in the interest of the general credit, there is good reason for the government not only to refrain from injuring municipal revenues but to refund more of the income tax when it is warranted by the province's position and by tax revenues.

Whatever government is in power in Ontario must be held partly responsible for municipal difficulties which have arisen to a considerable extent from the imposition upon the municipalities of increased social expenditures. It is significant that the special session of the British Columbia legislature is being held primarily to aid municipalities that have been doubly injured by the provincial policy of increasing their portion of social service expenses and withdrawing former grants.

Mr. Chief Justice Rowell

THE TORONTO STAR says that Mackenzie King's government has "done itself the honor" of appointing Mr. Rowell as chief justice of Ontario.

That is a fitting way to express it. Mr. Rowell is one of the ablest citizens of this generation in Canada. There are a number of important posts that he could have filled with benefit to his country.

He is one of the greatest of our lawyers and one of the best informed men in Canada on international problems.

High as is his new post, its authority was not needed to make Mr. Rowell's prestige any greater than it is today.

At a time when the courts of Ontario are under the threat of political interference, it is a splendid thing to have a man as strong and as independent as Mr. Rowell at their head.

Prejudices and Politics

MUCH of Montreal's present financial difficulty arises out of electing the wrong men to office.

Montreal's divergencies in race, language and religion could be regarded as a great asset if all the groups of citizens could be led to regard each other with mutual respect and to hold in a common hatred all those who try to raise sectional cries or to appeal to localized jealousies. The essence of success in business or municipal or government life today is working together for common ends, and it follows as the night the day that the politicians who get in on race and language cries are, by the very constitution of their minds, unable to administer affairs successfully.

Most business corporations today would be unsuccessful if boards of directors of large and small corporations acted like aldermen often do. What Sir Edward Beatty, president Canadian Pacific Railway Co., recently said with reference to the Dominion scene applies with equal force to the Montreal situation:

> "Consider what would be the sort of directors which great corporations would have, did their election depend on their skill in appealing to class, race, religion and sectional prejudices which might exist among the shareholders, the employees and the customers."

In such a case one would see directors make treasury raids to distribute surplus liquid assets as dividends even though unearned in order to curry favor with shareholders, just as some aldermen make raids on taxing and borrowing powers of municipalities to solidify their position with large groups of voters.

The Farm Bonus Plan

OTTAWA recently announced a plan to put 45,000 jobless to work this winter under a farm improvement and employment scheme sponsored by the National Employment Commission. The idea is to subsidize those who accept employment on farms for the winter by paying them $5 a month from the federal treasury and a bonus of $2.50 a month if they stay the winter. In addition, each farmer who takes on a man in this way, will be paid $5 a month out of public funds, the total cost being split between provinces and the Dominion.

Perhaps civil service memories do not go back that far, but during 1919 and 1920 a very large number of men were put back into civilian jobs on a somewhat similar plan by the Department of Soldiers Civil Re-establishment. Thousands of returned soldiers were placed with employers on a subsidized basis and treasury cheques were mailed to each man monthly to bolster the wages paid by the individual employer.

This experience disclosed a serious psychological error in handling the situation—an error which led to much unnecessary friction and ill-will; an error which should not be repeated in the present farm employment scheme.

The error was simply that, by paying these men direct, the government greatly impaired their efficiency and morale. Many men said to their employers in effect: "You are not my boss, because you do not pay me, the government does."

Those who worked closely with the post-war employment plan feel the usefulness of the present scheme would be considerably improved if some plan could be evolved whereby the employee, instead of getting his cheque direct from the government, could be paid indirectly so that there would not always be the constant reminder of federal bonus before him.

Editorials in Brief

Great Lakes Paper is deferring bond interest due on October 1. It would take $150,000 to pay it. At the same time, the bondholders are informed that it cost $442,893.57 to pay reorganization expenses and claims.

Doctor's bills for sick companies seem to run pretty high.

* * *

As the discussion about Premier Aberhart's threat to "gag" the press continues unabated, The Financial Post has decided to publish a stenographic report of exactly what Mr. Aberhart said. It will be found on this page.

It will be observed that Mr. Aberhart's fulminations about the "mad dog operations" of the financial press, whom he accused of being the "henchmen" of "their bosses, the financial interests," all arose out of 2 inconsequential items that appeared in the Edmonton Journal, a daily newspaper published in Mr. Aberhart's own province.

* * *

Stamp collectors throughout the world are all familiar with Newfoundland postage issues which, until a few years ago, appeared in great profusion from year to year. Announcement of the new King Edward postage stamps in Great Britain reminds the St. John's Daily News that the King's very first appearance on a stamp was as a curly-headed infant on the half-cent stamp issued by Newfoundland in 1898. His portrait subsequently appeared on one of the stamps of the coronation issue of 1911.

Newfoundland also claims the credit for using the first portrait of King George on a stamp design in the Newfoundland royal family issue of 1898 when the late King was then Duke of York.

* * *

The Halifax Herald claims to have little faith in economists or other experts. It says that the word of a "recognized economist" is no longer regarded as infallible.

Any economist who claims infallibility is not recognized by The Financial Post. He would not come under the heading of "expert" but rather under that of "crank."

We were much impressed with the humility of one of the world's most famous monetary economists who remarked to The Financial Post the other day that he was still trying to find the explanation for the 1929 collapse. And when he was asked several pertinent questions regarding the future he replied in each case, "I wish I knew the answer but I don't."

The Halifax Herald would not hold it against a great physician that he did not know a cure for cancer and it would not condemn all physicians because some quack claimed to have found such a cure.

In the economic sphere the Herald should be equally careful not to confuse well-informed students with impetuous crackpots or publicity-seeking economic slickers.

Sayings of the Week

"If enterprise is encouraged, better times are not far ahead."—*Charles M. Schwab.*

* * *

"No man is a villain when you know him."—*Dr. Hamilton Fyfe, Principal of Aberdeen University.*

* * *

"The world is approaching a time when it will demand an insurance against famine."—*Bernard M. Baruch.*

* * *

"You have so many governments over here.... I can't quite understand it."—*Sir Percy Vincent, Lord Mayor of London.*

* * *

"The steady progress of natural recovery is hampered by the burden of taxes and shadowed by the fear of inflation."—*Col. Frank Knox.*

* * *

"Even at the height of the late prosperity nearly 99% of the American population were receiving less than $5,000 a year."—*Harry Elmer Barnes.*

* * *

"Getting a job in a modern state government is not a question of knowing something, but of knowing somebody." — *Professor James K. Pollock.*

* * *

"Nations are more suspicious of one another, more grimly embattled, arming more fiercely and quickly than ever before."—*Barnard M. Baruch.*

* * *

"There is no denying that the burden of government bureaucracy today is becoming a staggering load for business interests to carry."—*Floyd W. Parsons.*

* * *

"The number needed in the professions seems to bear little or no relation to the number we train, at public expense, for such positions."—*Alice Harriet Parsons.*

* * *

"Stock certificates—escrowed or otherwise—are not edible, neither will they buy shoes for the baby or food for little mouths."—*Sydney Norman, B.C., mining commentator.*

* * *

"Efficiency of private enterprise has evolved a productive capacity so vast that private enterprise is dependent as never before upon the economic fortune of the masses."—*Glenn Frank.*

* * *

"The existing order is pre-eminently the expression of technical conditions. An invention not less important than that of the steam engine can alone bring about a new civilization."—*Lancelot Lawton.*

* * *

"All really first-class directors are slightly pessimistic. Distrust, therefore, the business ability of those directors who run off into raptures about the brilliant prospects of their own company."—*A. S. Wade.*

* * *

"Some years ago the Canadian government made a ruling that no settler who wished to live on a small island would be allowed a homestead claim. The reason given was that no man who wished to live alone, can, in the last analysis be a good citizen."—*Ernest Thompson Seton.*

—*Drawn for The Financial Post by R. Kaell.*

PLUGGING THE HOLES

Aberhart On The Air

Editorial discussion in Canadian newspapers regarding the recent threat of Premier Aberhart, of Alberta to "license" the press continues. The Financial Post here puts on record a stenographic report of what Mr. Aberhart said in his Sunday afternoon radio and bible talk on the subject.

"I can see that in spite of all that one can say in protest, the newspapers, who are the mouthpiece of the financiers, persist in publishing falsities that are entirely unfair and unwarranted.

"They are determined to confuse all whom they can inveigle into believing their spurious articles and they want to give Alberta a black eye in the sight of the world at large, who copy these articles all over the world. We have had letters from South Africa and from Australia and New Zealand, and they tell us the piffle that is put in the papers about Alberta would make you sick. Not a bit of it true. Copied from this paper and copied from that paper. Our own papers, blackening Alberta all over the world with their falsities that they publish in the papers.

Insulting the Premier

"I came back from the north where I hadn't had a chance to look at any papers, and I found that they'd * published a news item intended to cast an insult on me as your Premier. Nice to have your Premier —(I don't care for myself personally, but goodness, to me there's a dignity surely in the office. I may not fill it very well, but let's try to protect the dignity of the office anyway). They declared that the School Board of Peace River had refused to allow the school children to meet the train on my arrival.

"Now, I had no knowledge whatever, not even a suggestion that such an honor was going to be given to me, and I am informed that the School Board made no such decision nor had they held a meeting to discuss it and it never was before any of the members of the School Board. And yet these papers can declare that they said that they couldn't allow the school children to come and meet me.

"The story was made out of old cloth and dirty rags, for the purpose of satisfying an insatiable hunger after something that might insult the office of the Premier of this province and give a black eye to Alberta in the rest of the world. †

Must Question Liberty

"Ladies and gentlemen, if this is done in the name of liberty of the press, then we must question such liberty. I fear I'm going to be forced to come to the conclusion that the calibre of the men who are managing these papers is so low as to be unsafe to claim liberty at all. They shouldn't be at large *(thunderous applause)*. On top of that, let me give you this.

"Last night in Edmonton a friend handed me a clipping from the same paper giving a weird tale of an incident on the C. P. R. train in which a Mr. Tall gave me his berth one time some years ago, and for which he has been given recently a position with the Government. This again I say to you is a statement of a disordered, distorted, mad brain. The only purpose seems to be to place the Premier of this province in a bad light in the eyes of the people of this province, as well as the eyes of the world. What else could they tell such a confounded falsity from beginning to end about.

"I never had any difficulty with a berth in my life on the C. P. R. No check-up was made on this report. I have always attended to my travelling needs in plenty of time ahead, and neither the C. P. R. nor the C. N. R. have ever had the lines crossed by which somebody else got the berth that I had. At no time did I ever have any question with any man about a berth.

"Now, can anyone explain why such a foolish news item could be written on the front page of any financial paper. ‡ I'd like somebody connected with the paper or connected with the ownership of the paper to come before the people and tell us why they write such stuff. *(applause)*. We've got to a bad state of affairs, I assure you.

Something Should Be Done!

"I want to say this also, that I have no intention and never had one of entering into such vicious kinds of patronage as suggested by the so-called news-item in question. I shall never elevate anyone to a position simply because he might have given me his berth on the train half a dozen years ago *(applause)*. I did not know Mr. Tall until just recently, and his appointment is not under my control. I had nothing to do particularly with it.

"I feel sure that the citizens of Alberta will soon come to the judgment that something should be done to curb the mad-dog operations of certain of the financial newspapers *(applause)*. I do not wish to curtail their liberty.

"I have been most patient, but there is a difference between liberty and license. The license to print as news items things that have never occurred, and liberty of the press are two different things altogether, and I am satisfied that the citizens of this province can distinguish liberty from license. If you can't, then they'll put up the squeal and they'll howl like anything when anybody does anything, for the liberty of the press. We know the difference between liberty and license, I hope. If we don't then why it's just too bad for us.

"Stuff That's Not True"

"I am not the only one. I have had professional men and businessmen come to me and tell me of the trouble they have had and inconvenience that they have had to try to straighten out people who have read stuff in the papers that was not true. They couldn't get them to believe it. Some of these days people won't be so gullible and they won't go on buying these papers and reading them. We license doctors, lawyers, school teachers, businessmen and auto-drivers, and hotel-keepers for the protection of the public. Why shouldn't the newspapers be licensed also? *(applause)*, and licensed for the protection of the public just the same thing. Be required to live up to a certain standard of truth and honesty in their publications?

"I wonder if such an action would meet with the approval of the citizens of this province *(applause)*. This is a matter that will receive my immediate attention when I return from the coast after a little holiday *(applause)*. I hope they are listening in, so they will know what's coming *(applause)*, and they won't start to holler like the bondholders 'you never gave us notice.' They have it now. And I'll show them if we can handle their bosses, the financiers, we can handle the henchmen all right, don't worry about that" *(thunderous applause)*.

Mr. Aberhart continued the service by reading out a list of contributors to the Bible Society.

*The news item appeared in the Edmonton Journal of September 8.

†The Calgary Herald of September 15 says that it is informed that there was no parade of school children to greet Premier Aberhart at Peace River station.

‡The Edmonton Journal is not a financial paper.

The Freedom of the Press

PRO

"The freedom of the press is vital to human progress, since only through a free press can public opinion receive and reflect upon knowledge of those human happenings upon which it must base its reasoned judgments and its course of future expression and action."—Dr. Nicholas Murray Butler, to British Institute of Journalists.

CON

"In the great vital questions of the nation, especially in the reserve that their public treatment and discussion require, the State owes it to the people to protect them from subversive elements. A State that violates this right of the people to protection by admitting subversive press products loses the right to exist, for the measure of all things is not the independent purpose of the press, but the people."—Max Amann, President of the German Reich Press Chamber.

"The Financial Interests"

By J. COURTLAND ELLIOTT

Economist of A. E. Ames and Co.

Briefed from an address before the Institute of Economics and Politics at Lake Couchiching.

That segment of our economic society which is popularly tagged as "the financial interests" has been receiving a good deal of criticism in recent years.

I regard Canadian finance as being engaged primarily in the administration and conservation of the savings of the people of Canada. Time was when those savings were invested directly by the owners in local productive enterprises, in business partnerships, in real estate and rather infrequently in securities. But the rise in joint stock enterprise has diffused ownership widely, and financial savings today are in large part invested in negotiable securities.

To me it is one of the surprising features of our day that these widespread owners of securities have shown a spirit of resignation when confronted with unjustified attacks which have resulted in an unnecessary impairment of the financial values and income of their assets.

Agencies For Savers

Canadian finance, as distinguished from the individual owners of securities comprises principally the chartered banks, insurance companies and loan and trust companies. In general these institutions are lending or investing agencies deriving their funds largely from their customers under certain stipulated conditions. Because these institutions have contracted liabilities with their clients, their lending and investing operations must necessarily be of a conservative nature. It is too often forgotten in these days of recrimination that our modern trustee organization requires stability of values and regularity of income if the financial deposits and savings of our people are to be safeguarded and conserved.

Far from being invested in speculative securities the assets of these fiduciary corporations have been loaned conservatively or have been invested mostly in bonds. It is essential in speaking of Canadian finance that some discrimination be shown between the ownership of bonds and of stocks. The former are largely owned directly by the thrifty or are administered by financial institutions which have contracted to preserve capital values and income.

Belief in Integrity

In Canada, the amount of financial assets arising out of governmental borrowings is approximately $7 billions. The securities represented by the public debt have been purchased because of an unquestioned belief in the integrity of public credit. They have naturally yielded a smaller average interest return than securities based on private credit. But the lower yields have been accepted because of the necessity of the holders minimizing their risk and because assurance of a regular income has been indispensable to the operation of fiduciary institutions.

Domestic and foreign financial institutions operating in Canada hold about one-quarter of our total public debt for the benefit of depositors, policyholders or others, who have entrusted their savings to these institutions in order to achieve various types of protection for themselves or their heirs.

Who Holds the Debt?

Another quarter of our public debt is held by varied holders domiciled outside of Canada, and the securities have been acquired for largely the same purpose as Canadian holders.

The balance of our public debt, amounting to somewhat over $3½ billions, represents in large part the accumulated savings of individuals, mostly in relatively small amounts, which have been made available for the purposes of government in the belief that interest payments would be regular and the principal repaid promptly at maturity.

In these circumstances it seems to me that the so-called concentration of economic power attributed by the critics of the present economic system to financial interests should not include these fiduciary institutions, when the nature of their obligations and the character of their assets are understood.

Savings of a Nation

These modern trustee organizations connote Canadian finance—it is they who administer under regulation the financial savings of the nation. Their assets are largely derived from the earned income of Canadian people and are largely invested in negotiable instruments of the public credit, in bonds backed in reality by the faith of the issuing governments and their taxpayers.

Impair the instrumentalities of public credit, either by bad faith and repudiation or by the inflationary dilution that comes with war financing, and the shrinkage of values and losses of income must ultimately be borne by those who are the beneficiaries of the trusts, viz., those thousands of Canadians who have bank deposits or insurance policies.

Stop Me If You've Heard This One . .

It was the Sabbath, and Donald was hammering away at the bottom of his barrow, when his wife came to the door.

"Mon," she exclaimed, "ye're makin' a muckle clatter. What will the neebours say?"

"Never mind the neebours," said the busy one, "I maun get my barra mendit."

The woman thought this over for a minute or two, then: "Oh, but, Donald, it's verra wrang tae work on the Sabbath," she expostulated. "Ye ought to use screws."

In the Mail

(Not over 200 words, please)

Farmers' Creditors Arrangements

Editor, The Financial Post:

The rural sections of Ontario are being subjected to the operation of Dominion legislation which is in practice as calamitous and as devastating in its effect as that of Alberta. In some sections of Ontario, proposals under the Farmers' Creditors Arrangement Act have taken on the dimensions of a racket. That is not the whole story, as a great many dishonest farmers are holding their creditors and mortgagees at bay by the threat of invoking this Act.

What is the result? Honest, thrifty, hard-working citizens who have endeavored to set aside a competence for their old age are despoiled by the wastrel, the spendthrift and the ne'er-do-well. What is more, the credit of the farming community is destroyed, with the attendant result that farm property is unmarketable, and every business dependent on the purchasing power of the farmer is more or less stagnant. One need only drive through the rural districts and observe the dilapidated condition of so many farm buildings and one cannot but realize the baneful effect of the destruction of the credit of the farming community.

A number of county councils have passed resolutions asking for the repeal of The Farmers' Creditors Arrangement Act and it would seem to me that the press should awaken from its lethargy and reinforce the movement for sweeping this legislation into the discard.

—H. B. CHURCH.

Orangeville, Ont.

Alberta and Disallowance

Editor The Financial Post:—

I have followed with interest and usually with approval, your informing articles and comment of provincial affairs in Alberta. I must take issue, however, with some of the conclusions of your paper of September 19, which has just reached here. In the course of 4 articles you refer to the confusion of business following recent legislation, which is no overstatement of the case. You have a well-prepared reference to the legal phases by an able Edmonton lawyer, who finds that much of the legislation is unconstitutional, which to the lay mind seems correct. On the other hand you describe the legislation and conduct of the Government as veiled Communism, which is far from the fact. You declare, with some emotion, that the Federal Government should disallow the legislation, a suggested remedy which seems to me to border on political madness.

The alarming defect of the Aberhart legislation and administration is, that it is founded neither on Communism nor any other political philosophy, but is largely a spasmodic impulse without exhaustive investigation of any kind or any thoughtful consideration. There is a smattering of the Douglas plan about it, but the master himself, with much indignation, repudiates it as an impostor. There is a flavor of the Gessell system about it, but the Gessellites say that neither premier nor his ministers even understand their plan. There is much about it that seems to bear a resemblance to some of the more incomprehensible visions of the Book of Daniel and the Revelations, but many Alberta theologians question the interpretation. There is more than a trace of Fascism about it, but as yet it lacks the armed force by which Mussolini and Hitler make their systems effective.

But there is nothing of Communism or Socialism about it. There is no deliberate effort to undermine the capitalist system, although some of the legislation does put a strain on business. There is no encouragement of any kind of co-operative effort, although much might be done in that direction to the advantage of both province and people. The Government has shown no interest in the proletariat, and its efforts have been along the line of satisfying the lesser of the petty bourgeoisie.

The situation may be alarming in Alberta, as you say without exaggeration, but the one thing that would fasten the Aberhart administration on the province for another generation at least, would be the sort of strong arm action by the Federal Government, that you suggest. Such drastic remedy would have an even wider and more serious effect. It would spread the distemper to an epidemic which might affect the whole of Canada—certainly Western Canada. It is no wild prediction that the Aberhart plan would be adopted by the 4 western provinces if submitted to them at this moment. Interference by the Dominion Government would make it certain. It was not to meet such emergencies that our constitution gave certain adjustment powers to the Governor-General in Council. I am not so certain that the Alberta Government, which has rapidly acquired the more sinister methods of the older political powers, would not welcome the plan you suggest.

What is to be done? Alberta presided at the birth of this ill-shaped legislative prodigy and Alberta will have to provide its funeral. No other remedy will have complete or permanent results. Unless all economic laws are false and all signs fail Alberta electors, if left to themselves, will be prepared for the obsequies at the next election, 3 or 4 years away. In the meantime, Alberta people and others affected, must be content with the security which they have in the constitution, which fortunately no government, however Fascist, can destroy. It is imperative for our provincial and national safety that we should have patience to let the courts operate, without impediment or threat of alternative tyrannous action, which rouses passion and stifles thought in the electorate. It will be an expensive adventure for Alberta people, but they are not unaccustomed to face serious problems. That is the only way that will be effective.

The day may come when Canada must face this Aberhart menace, but let us hope, when it does come, the Government will not so completely deliver itself into the hands of the heresy, as you have suggested.

W. M. DAVIDSON.

Victoria.

Editor's Note: Mr. Davidson, a former member of the Alberta Legislature, was for 25 years editor of the Calgary Albertan, the paper that has recently become Mr. Aberhart's official mouthpiece in Alberta.

Week in Business

New Trade Possibilities In Franc Revaluation

Automobile Manufacturers Ride Recovery Peak by Early Planning — Sold $103 Millions of Product in 10 Months

With our foreign trade already one of the bright spots of business to date in 1936, the new trade vistas opened up by the franc revaluation indicate further important possibilities for the remainder of the year and 1937. For example, Hon. W. D. Euler recently returned from Europe with 3 prospective trade treaties in his bag—all unfinished principally on account of currency valuations. The 3 countries were Germany, Holland and Switzerland. With devaluation an accomplished fact there seems little doubt that the Dutch and Swiss treaties will be now completed, and further stimulus given to the German negotiations.

Striking evidence of the falling off in trade with these countries is shown in the new trade report issued last week from Ottawa. This shows that Canada exports to foreign countries (other than United States) dropped to but 10.5% of our total exports in the fiscal year 1935-36. This is the smallest ratio since pre-war days and compares with a peak figure of 24% in 1928-29. In other words, a trade worth $140 millions annually in the old days has now shrunk to little more than $80 millions annually as a result of currency and allied restrictions.

* * *

Motor Makers Ride Recovery Peak

And throughout Ontario a new automotive year is getting under way. Across the border at Detroit, last week's production figures show for the first time the output of the new 1937 cars with Studebakers and Packards already coming off the line. This week the new Hudsons and Terraplanes will be shown to dealers, although public appearance along with most other leading makes will not occur until around Nov. 1.

The motor makers are an outstanding example of the success that attends early planning in these days of business recovery. Last year the motor firms started their new models away two months earlier at the suggestion of President Roosevelt and with the result that they were able to cash in on returning prosperity to a degree that exceeded fondest hopes. Instead of being hampered in early spring with production, sales and other delays they were able to parallel business recovery rather than lag behind it, and as a result the proportion of consumer dollars which went into automobiles rose to a new high mark. In Canada in the 10 months period, November, 1935, to August, 1936 (inclusive), sales totalled $103 millions, a gain of 21% over corresponding figures for the same period last year.

Incidentally the remarkable recovery of western purchasing power in the wake of high wheat prices is shown by passenger car sales in the west for August. Manitoba sales for the month are up 36%; Saskatchewan sales up 32%. Only in Alberta, where the political repercussions of Social Credit are manifest, is there a decline, the drop in that month being 15.6%. As the Bank of Montreal says in its monthly business summary: "In the better crop districts there has been improvement in wholesale and retail trade except in Alberta, where the drastic debt legislation, recently enacted, is having an adverse effect.

* * *

Pot Pourri

Other items of interest to business during the week include the announcement that the new Quebec legislature will open Oct. 7 and will probably sit about 6 weeks before prorogation until January—that tourist business in Nova Scotia is up 33% this year to date—that a new shipment rate on potatoes to apply between the Maritimes and West has been proclaimed as a result of drought conditions there—that the Tariff Board will hear an application for removal of specific duties on millinery "hats, hoods and shapes of wool felt" on Oct. 26.

Favorable

Carloadings moved into new high ground for the week ended Sept. 19 despite lower movement of grain in western Canada. Every other commodity group showed higher loadings except coke. The sharpest increase was in coal movement.

Automobiles—Though August production dropped sharply as manufacturers made ready for the fall changeover, sales to consumers continued at a high level, particularly in Manitoba and Saskatchewan. Total sales for the month were 9.9% above August, while number of new cars financed in August rose 22.6%.

Central Station Output in August gained 9% above last year, with the index of primary consumption rising to a new high point.

Bank Debits rose 5% over August, 1935, due to substantial increase in transfers in Quebec and British Columbia and a smaller gain in Ontario. There was a small drop in the Maritimes and a substantial falling off in the Prairie Provinces.

Business Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

WEEKLY DATA	Latest 1936	Latest 1935	Cumulative Total Jan. 1 to date 1936	Cumulative Total Jan. 1 to date 1935
Transportation—				
Car loadings (Sept. 19)	▲59,661	56,018	1,729,187	1,660,982
C.N.R. gross earn. (Sept. 21)	$ ▲4,236,069	$ 3,905,367	$ 128,731,973	$ 119,982,937
C.P.R. gross earn. (Sept. 21)	$ ▲3,267,000	$ 2,225,000	$ 95,270,000	$ 86,224,000
Business Conditions—				
Weekly index D.B.S. (Sept. 19)	▲115.8	96.2	......	......
MONTHLY DATA				
Business Conditions	1936	1935	1936	1935
Financial Post index (Aug.)	122.6	104.2	......	......
Transportation—				
C.P.R. net revenue (Aug.)	$ ▲634,484	$ 508,339	$ 8,404,584	$ 8,096,540
C.N.R. net revenue (Aug.)	$ ▲680,531	$ 569,672	$ 3,242,824	$ 3,843,331
Iron and Steel (August)—				
Pig iron production (tons)	38,570	54,414	413,893	364,704
Steel ingots and castings prod. (tons)	80,164	82,488	727,657	556,752
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (Aug.)	▲4,407	3,950	72,686	67,251
Factory output (Aug.)	▲3,051	5,324	97,607	105,385
Trucks and Buses:				
Domestic sales* (Aug.)	▲1,487	1,415	16,229	13,644
Factory output (Aug.)	▲1,609	2,168	23,476	26,701
Exports (Aug.)	▲2,748	5,005	36,838	48,077
Construction—				
Building permits (August)	$ 3,672,845	$ 4,311,968	$ 25,788,767	$ 33,348,881
Contracts awarded (Aug.)	$ 15,536,100	$ 17,868,500	$ 111,113,100	$ 112,012,200
Newsprint (tons)—				
Production (Aug.)	270,053	236,060	2,033,943	1,755,209
Exports, tons (Aug.)	257,576	220,866	1,851,918	1,603,875
Sugar (lb.)—				
Melting & sales§ (raw)	82,662,963	74,223,266	580,793,073	556,294,119
Manufactured§	78,496,030	71,183,208	559,416,632	550,624,612
Flour (bbls.)—				
Production (July)	1,300,667	991,559	7,828,026	6,134,108
Wheat flour exports (Aug.)	387,728	376,562	3,123,805	3,014,739
Trade—				
Retail trade (index no. of sales) (July)	72.5	69.3	....	....
Imports (August)	$ 50,257,754	$ 49,560,063	$ 397,883,401	$ 358,346,853
Exports (August)	$ 93,529,756	$ 76,638,360	$ 603,043,991	$ 493,244,579
Wheat exports (bush.) (Aug.)	21,157,268	21,698,284	141,657,362	75,861,440
Employment, D.B.S. Index (Aug. 1)—				
All industries	105.6	101.1	....	....
Manufacturing	104.9	99.8	....	....
Electric Power Output (Aug.)—				
Total monthly m.k.h. (000's omitted)	▲2,020,100	1,851,153	16,481,034	15,022,791
Other Industrial Indices—				
Lumbering:				
Plank & board exports M. bd. ft. (August)	168,440	164,542	976,922	853,633
Boot & shoe prod., pr. (June)	1,721,182	1,756,304	11,042,084	10,664,240
Crude petrol. imp. gal. (Aug.)	146,313,749	126,729,590	745,098,829	721,008,757
Cotton imports, lb. (Aug.)	7,096,721	7,027,396	82,533,491	76,992,046
Raw rubber imp., lb. (Aug.)	8,466,684	6,303,645	38,172,733	39,198,312
Coal imports, tons (July)	1,416,455	1,430,483	6,445,735	6,574,158
Finance—				
Bank debits (Aug.)†	$ ▲2,619,152	$ 2,497,602	$ 22,759,663	$ 20,258,840
Bond sales (Aug.)	$ 27,077,666	$ 121,920,753	$ 831,838,315	$ 456,940,335
Life insurance sales (Aug.)	$ 25,011,000	$ 26,854,000	$ 245,344,000	$ 240,564,000
Automobile Financing (Aug.)—				
Used cars	$ ▲2,389,889	$ 1,712,378	$ 18,295,965	$ 13,294,463
New cars	$ ▲2,203,440	$ 1,692,405	$ 22,659,029	$ 17,356,934

*D.B.S. All-Canada figure comprising over 90% of the Canadian total. †000's omitted. §For 4 weeks to September 5.

To Investors in Bonds

Information frequently required in connection with corporation securities —such as maturity dates, call features, denominations, currencies in which payable, sinking fund provisions, earnings figures, etc. — is given in concise form in our booklet "Canadian Corporation Issues".

Handy pocket size. Free on request.

Royal Securities Corporation
Limited
244 St. James Street, Montreal — 330 Bay Street, Toronto 2
Offices throughout Canada; also in New York and London.
23

Business Shows August Gains In Three Areas

Quebec and Ontario Fail to Maintain July Levels

EMPLOYMENT UP

Business gains were recorded in 3 of the 5 economic areas during August. Slight reactionary changes were shown in Quebec and Ontario, the gains in the other areas being of considerable proportions. The early harvest in the Prairie Provinces had a considerable influence on the index for the area. According to the experience of preceding years, grain marketings were heavy, and as the crop was considerably below normal, it is anticipated that the remaining months of the year will show decline, especially after seasonal adjustment.

Employment was the bright spot of the month, gains being shown in each of the 5 areas. The new business obtained by the construction industry was favorable in certain areas. Contracts, however, were down in Ontario and permits in Quebec and British Columbia. Reactionary features of the month included the electric power production, bank debits, and sales of life insurance.

The Maritimes

The factors indicating the trend in the Maritime Provinces were constructive for the most part. New business obtained by the construction industry recorded an important gain. Contracts awarded were up 13.6% after adjustment and building permits showed much larger percentage gain; the adjusted index of employment advanced more than 1%. Sales of life insurance were at a lower level, the index dropping from 102.4 to 93.9. A gain was shown in the tonnage of vessels cleared from Halifax and Saint John, the net increase being nearly 11%.

Operations of the Dominion Coal Co. at Glace Bay continued active with 8,000 employees on the payroll. The Nova Scotia Steel and Coal Co. engaged 1,648 men at Sydney Mines. The Dominion Iron and Steel Co., during a recent week, had an average force of 2,800 men. The abundant crops of the Maritime Provinces have been marketed at a fairly good price owing in part to the shortage in other economic areas.

Quebec

The index of Quebec was nearly maintained at the relatively high level of the preceding month. Operations in the province, however, showed some recession from the early part of the year. At that time a high level was established subsequent to the first half of 1930.

Employment at the first of September gained 2.3%; construction contracts awarded showed a gain of about one-third over the preceding month, but still remained at a considerably lower level. A slight recession was shown in the index of electric power, but bank debits and sales of life insurance showed decline.

Imports of raw cotton indicative of the index in the cotton textile industry showed a gain of 28%. Newsprint production was slightly below the high level of the preceding month. The index of boot and shoe production dropped below the par basis of 1926.

Ontario

The index of Ontario dropped slightly in August, the level of operations being below the early months of the year. Industrial employment was a strong feature in August, the index moving up to 104.8. New business obtained by the construction industry was about one-half of the 1926 level. The index of contracts awarded dropped from 81.6 to 50.1. A slight gain was shown in building permits but the indices indicated a low level in relation to the base period. The index of electric power dropped from 152.6 to 145.3.

Financial factors including bank debits and sales of life insurance receded from the preceding month. Livestock slaughterings were not at quite so high a level as in July. The output of steel ingots recovered in August to the amount of 14%. Automobile production reached a low level pending the introduction of new models. The business index of the province receded from 112.3 to 111.9.

The Prairie Provinces

The indices considered as showing the trend of business in the Prairie Provinces recorded a gain in August, but a considerable portion of this was due to the increase in the wheat receipts at country elevators. Nearly 41 million bushels were received in August against 4 million in July. The price of wheat also showed a gain in this case contrary to seasonal tendencies. The average price of No. 1 northern was $1.023 per bushel against $0.93½ in July.

In many portions of the West the crop was spotty with great variations in yield. In other parts there was a considerable amount of abandoned acreage and in still others fair to good yields were realized. Notwithstanding the adverse weather conditions the wheat crop was better than expected at one time, and the grading is above the average.

New business obtained in the construction industry increased in August. The adjusted index of employment was 102 against 97.7 in the preceding month.

British Columbia

The persistent advance in business conditions in British Columbia in evidence since the latter part of 1932 continued in August. The index moved up from 118.1 to 119.1, a gain of 1½%. The increase, however, was on a rather narrow basis, being dependent on 2 factors, namely a gain in contracts awarded, and a gain of 1.2% in employment. As in the other economic areas the financial factors and electric power receded from the level of July.

Better Feeling In Most Areas

Commodity Prices

	Latest week	Previous week	Same week last yr.
Cattle	$6.15	$6.50	$6.35
Hogs	8.85	9.25	9.50
Copper, lb.	.09¾	.09¾	.09
Cotton, lb.	.1234	.1225	.1075
Rubber, lb.	.1644	.1650	.1181
Sugar, raw, lb.	.0340	.0350	.0360
Silk, lb.	1.67	1.68	2.03
Wheat (Man.) bus.	1.07⅞	1.07¾	.89¼
Coffee, lb.	.08⅛	.08⅛	.07
Hides	.11¾	.12	.11
Weekly Indices			
N. Y. Annalist	127.6	128.4	128.4
Fishers'	84.0	84.1	85.5
N. Y. Journal of Comm.	81.6	82.1	81.4
Crumps (Brit.)	71.4	71.6	66.5
U. S. Labor	81.5	80.9	80.8
Canada (D.B.S.)	76.1	75.5	72.9

Monthly Indices

	Latest month	Prev. month	Same last year
Canada (D.B.S.)			
Retail (Aug.)	81.2	80.5	79.4
W'sale (Aug.)	76.2	74.4	71.7
U. S. Labor (July)	80.5	79.2	79.4
Gt. Brit. (July)	82.0	81.1	77.1

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1929 = 100 base.

Base of price quotations is as follows: Cattle—Steers, good, over 1,050 lb., top price, Toronto: Copper-electrolytic, New York: Silk—Japanese, 13-15, New York: Sugar—96 degrees centrifugal c/f New York: Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis: Hides—No. 1 packer light native cows, New York; Hogs — select bacons, Toronto.

Background of Business

Manufacturers Seek Labor Supply Data

Possible Shortage of Skilled Workers Under Discussion — Self-Serve Experiment — Windsor Employment Gains

Members of the Canadian Manufacturers Association have been recently requested to gather together information bearing on the possibilities that with improvement in business, there will be a shortage of skilled workers in a number of industries.

This question is closely allied to the matter of unemployment among young people and the establishment of an apprenticeship system which was one of the specific jobs included in the instructions to the National Employment Commission at the time of its appointment.

Answers are sought by the manufacturers to the question as to whether or not individual industries have experienced or anticipate in the near future any shortage of skilled workers; as to whether or not individual industries have a plan or policy for the training of young workers or whether they consider it feasible or desirable to organize some apprenticeship or other system of training in the industry. Opinion is also sought as to whether such a plan should be voluntary or whether legislation is necessary to secure participation to make it effective.

* * *

Windsor Diversifies

Non-automotive employment in Windsor is showing a healthy increase according to the special monthly bulletin of the Windsor Chamber of Commerce. In both July and August employment in non-automotive industries showed gains as compared with the same month in 1935, the gain for July being 1,302 and for August 643.

During August, the Chamber reported 6,203 people employed in non-automotive trade as compared with 8,949 in automotive work. Automotive employment in both July and August showed declines as compared with the same month last year, the drop in July being 31 and for August, 492.

Bank clearings in August were almost $9.7 millions, the highest figure for that month since 1932. Bank debits at $40.9 millions over double the corresponding figure of 1935, but this sharp increase may have been due to a change in the municipal clearing house, due to the civic merger plan. One interesting business barometer was the increased sale of trucks, the total sale in the Windsor area for the first 8 months being 207 compared with 182 the previous year.

* * *

B. C. Salmon Pack

The salmon pack for British Columbia for the first 8 months of 1936 amounted to 1.2 million cases compared with 939,000 cases for the corresponding period a year ago.

This is the highest pack in over 6 years.

* * *

Self-Serve Experiment

As an experiment in merchandising methods, the Great Atlantic & Pacific Tea Co. has recently opened self-serve stores in one or two points throughout Canada. One or two of these are now operating in Montreal and one in Toronto.

A similar experiment is being tried out in United States in the Pittsburgh district.

Cutting of operating expenses through reducing labor costs is reported as the obvious objective with additional hope that by so doing prices to consumers may be reduced.

* * *

New Retail Wage Rates

An amended order for retail stores has been announced by the Ontario Minimum Wage Board, governing minimum wages paid female clerks or employees of all classes of retail stores, with the exception of office workers, restaurant employees, or other workers who are covered by separate orders.

The chief changes made are in connection with inexperienced employees, a change having been made both in the schedule of wages to be paid to this class of worker and in the regulations for part time employment. Formerly, no distinction was made as to ages among the young inexperienced girls under 18 years of age.

Trend of Business in 5 Economic Areas

		August, 1936	August, 1935	July, 1936	Inc. or Dec. August, 1936-1935
Maritimes:					
Construction contracts	$	1,570,000	2,973,000	1,212,000	—47.2
Building permits	$	211,000	999,000	193,000	—78.9
Life insurance sales	$ 000	2,164	1,895	2,351	+14.2
Bank debits	$ 000,000	47.9	48.5	54.1	—1.2
Electric power	kw.h. 000	49,693	49,761	56,371	—0.1
Employment	1926 = 100	114.4	107.0	113.9	+6.9
Tonnage of vessels cleared		386,113	402,714	377,969	—4.1
Index		118.7	110.5	117.1	+7.4
Quebec:					
Construction contracts	$	3,751,000	11,314,000	2,854,000	—66.8
Building permits	$	839,000	331,000	1,324,000	+153.5
Life insurance sales	$ 000	6,835	8,552	9,106	—20.1
Bank debits	$ 000,000	789	677	857	+16.5
Electric power	kw.h. 000	1,027,088	1,003,785	1,028,073	+2.3
Employment	1926 = 100	103.0	99.3	101.3	+3.7
Imports of raw cotton	lb.	7,096,721	7,027,396	5,818,214	+1.0
Newsprint production	tons	270,053	236,060	274,627	+14.4
Index		125.2	120.9	125.3	+3.6
Ontario:					
Construction	$	6,629,000	6,763,000	11,503,000	—2.0
Building permits	$	1,815,000	2,325,000	2,245,000	—21.9
Life insurance sales	$ 000	10,143	10,841	13,714	—6.4
Bank debits	$ 000,000	1,094	992	1,223	+10.3
Electric power	kw.h. 000	635,646	529,590	635,842	+20.0
Employment	1926 = 100	108.1	103.9	107.1	+4.0
Livestock slaughterings	1926 = 100	144.3	118.9	149.8	+21.4
Steel production	tons	80,164	82,488	68,793	—2.8
Automobile production	No.	4,660	7,692	10,475	—39.4
Index		111.9	102.9	112.3	+8.7
Prairie Provinces:					
Construction contracts	$	2,133,000	1,337,000	1,778,000	+59.5
Building permits	$	430,000	265,000	377,000	+62.3
Life insurance sales	$ 000	3,388	3,341	4,535	+1.4
Bank debits	$ 000,000	523	638	574	—18.0
Electric power	kw.h. 000	117,946	107,891	116,304	+9.3
Employment	1926 = 100	107.4	100.5	103.9	+6.9
Wheat receipts	bush.	40,789,000	12,494,000	4,003,000	+226.5
Wheat prices	$ per bush.	1.023	.845	.935	+21.1
Index		116.7	108.8	112.8	+7.3
British Columbia:					
Construction contracts	$	1,452,000	1,451,000	521,000	+0.1
Building permits	$	377,000	393,000	476,000	—4.1
Life insurance sales	$ 000	2,192	2,010	2,575	+9.1
Bank debits	$ 000,000	166.1	141.9	185.5	+17.1
Electric power	kw.h. 000	153,724	129,865	149,701	+18.4
Employment	1926 = 100	109.3	108.0	107.9	+1.2
Index		119.9	108.5	118.1	+10.5

Quality Engraving—the Essential Safeguard in Monetary Documents

CANADIAN BANK NOTE COMPANY LIMITED

Man cannot live by bread alone

ONE hundred and forty years is a long, long time however you look at it. But it is even longer when you consider that a good many of these years have been lean and hungry; and lean years, such as we have been having, seem never to end.

Having weathered more than one of these storms we know that there is always an end to them; that people do start marching up hill again, seeking the old satisfactions of life; finding anew the things of quality and character that give point and purpose to all their effort.

And going beyond the individual, industry itself cannot live by bread alone. It must have marks of excellence to give direction to its production; fine things to create, to satisfy its own market. So our course, even in confused times, seems clearly marked. It is simply that we be ourselves, true to our traditions and our craft, striving always to improve both our methods and our product, knowing as we always have known that in the long run man cannot live by bread alone.

CANADIAN BANK NOTE COMPANY
LIMITED
Head Office and Works—OTTAWA
—Branch Sales Offices—
TORONTO MONTREAL

Regardless of the Amount

Whether the amount to be invested is large or small, clients of this firm are assured of careful and courteous attention to their requirements.

A complete investment service is available at any of our Branches

A. E. AMES & CO.
LIMITED
Business Established 1889
TORONTO
Montreal Winnipeg Vancouver Victoria New York London, Eng.

QUARTERLY REVIEW OF CANADIAN BUSINESS

OCTOBER BOND LETTER

Upon request we shall be glad to mail you copies of these publications.

McLEOD, YOUNG, WEIR & CO.
LIMITED
Metropolitan Building, Toronto
Telephone: Elgin 0161
Ottawa Montreal London Hamilton

ARROWHEAD GOLD MINES LIMITED
(No Personal Liability)
Bought, Sold, Quoted

DUNCANSON, WHITE & Co.
Members Toronto Stock Exchange
Canadian Commodity Exchange, Inc.
New York Curb (Associate)
15 KING STREET WEST, TORONTO. WA. 3401-8.

W. C. Pitfield & Company
Limited
INVESTMENT SECURITIES

Head Office
235 St. James Street West
MArquette 8821
MONTREAL

Correspondents
THE KENTERNE TRUST LIMITED, London, Eng.
MANNING & CO. LIMITED, Barbados, B.W.I.
AGOSTINI BROS. Trinidad, B.W.I.
JOHNSON & COOPER, Bermuda

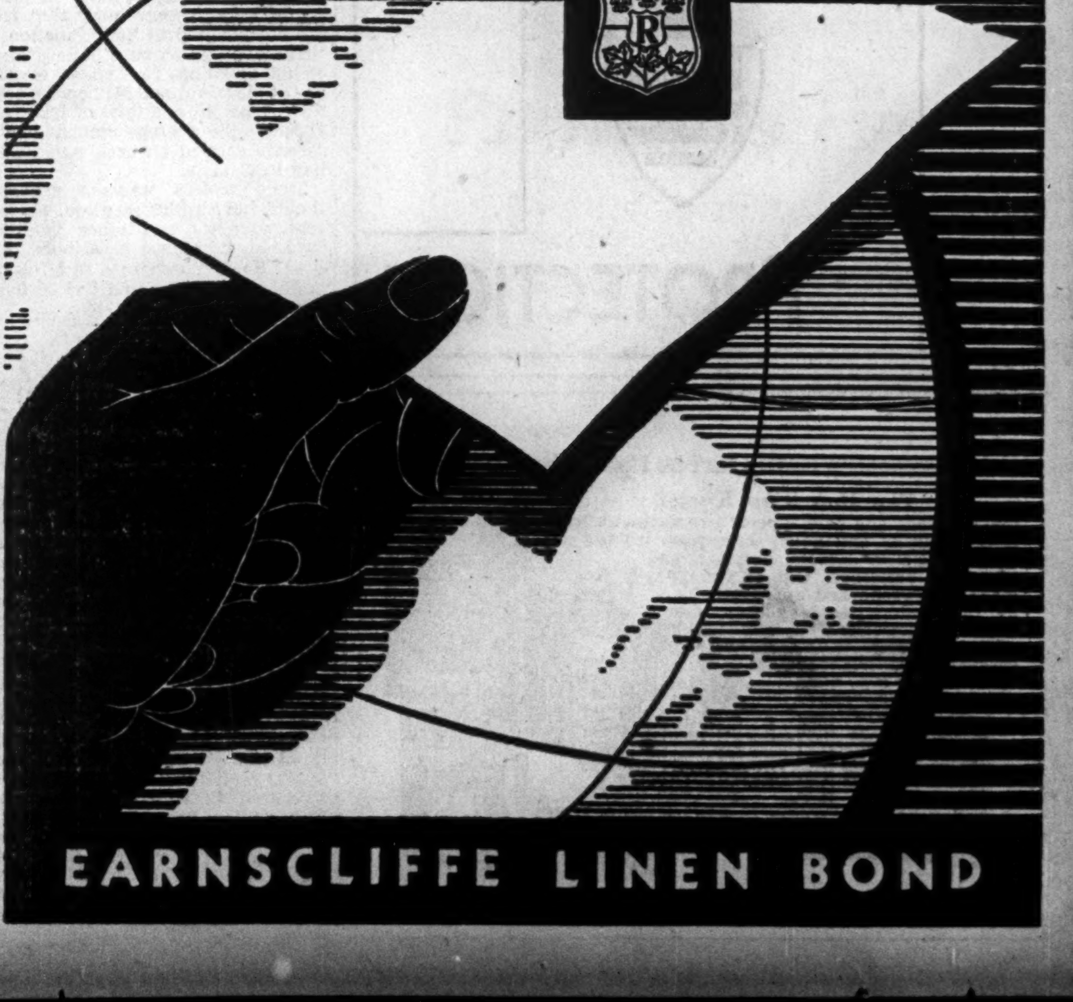
Branches
VANCOUVER
TORONTO
OTTAWA
QUEBEC
SAINT JOHN
MONCTON
FREDERICTON
CAMPBELLTON
CHARLOTTETOWN
HALIFAX

Private Wire — Halifax to Vancouver, with connection at Saint John, Montreal, Ottawa, Toronto, New York, Winnipeg and Calgary.

An impressive letterhead is a business passport, honoured in every quarter of the globe. Specify "Earnscliffe Linen Bond" to your printer and win for YOUR message a more cordial reception. Made of clean new rags and selected pulp, Earnscliffe Linen Bond, in rich white and eight practical colours, is one of Canada's truly fine papers.

Ask your Printer.

ROLLAND PAPER COMPANY LIMITED
HIGH GRADE PAPER MAKERS SINCE 1882
MONTREAL
BRANCH OFFICE: TORONTO, ONT. MILLS AT ST. JEROME AND MONT ROLLAND, QUE.



EARNSCLIFFE LINEN BOND

Millions in Fire Loss Challenge to Industry

Insurance Saving Made By Reduced Fire Losses

Estimate More Favorable Experience Has Cut Premiums $400 Millions — Crux of Prevention Problem in Dwelling Fires

By J. GROVE SMITH
Dominion Fire Commissioner

Reduced fire losses have saved Canadians $400 millions in insurance premiums in the last 15 years.

The average insurance rate naturally follows the fire loss experience. As a consequence, the average rate of $1.11 per $100 of risk in 1921 has been steadily cut until last year it had fallen to 70 cents. The difference this has made in insurance premiums has been calculated at the sum mentioned above.

Losses arising from fire in 1935, amounting to $23,251,521, were the lowest of any year since records have been maintained. Per capita loss of $2.21 for the year brings the Dominion to a parity with other countries which we have long regarded as being more civilized than ourselves.

However, since 1920 there have been 640,683 fires in the Dominion, a total loss of $633.5 millions in property damage and destruction of 6,611 lives.

Insured Loss Trend

Insured property losses over the same period indicate a rather remarkable trend in amount and incidence. In 1920, the value of all insured property in Canada was slightly over $7 billions. In the years from 1924 to 1929 there was a very rapid increase in the created wealth of the Dominion, with the result that a peak of insured value of property was reached in 1931, when insurance coverage stood at $11,350 millions. Since 1931, there has been a slight recession in values and last year insured property in Canada was placed at $10,413 millions.

In the face of this increase in value at risk, there has been a gradual reduction in losses right along the line. In 1921 and the years immediately preceding average losses were just over $60 millions a year. That amount was reduced to $47 millions in 1929, $42 millions in 1932, $32 millions in 1933, $25 millions in 1934 and $23 millions in 1935. Thus, while there has been an increase in property values of between 80 and 90%, there has been a reduction in the fire loss of more than 100%.

Larger Proportion Insured

A trend noted over the last 10 years is that the proportioon of insured losses of the aggregate has increased. In other words, the property that has been burned has been more fully covered than was the case in prior years. Last year the total insurance loss in Canada was $18.1 millions, while the uninsured loss was $5.1 millions.

In the occupancy group classification, there has been a tremendous decline both in the number of fires and in the amount of loss in industrial buildings and in the larger mercantile buildings. In manufacturing risks last year, 681 fires were reported with a total loss of $4.1 millions. This represented a reduction of 100%, both in the number and amount of loss over the preceding year. Fires in mercantile stores numbered 3,936 involving a total loss of $5.7 billions, a reduction of 80% over 1934. The same trend was experienced in institutional buildings, miscellaneous property and farm property other than dwellings.

Dwelling Fires Costly

The crux of the whole question of fire prevention lies in the fact that dwelling losses have increased numerically and in the amount of loss out of all proportion to the experience in other classes of risks. Over the last 12 years there have been 327,263 fires in dwellings, with a total loss of $126.1 millions. Dwelling losses have increased from 17,000 in 1923 to 30,000 in 1935, and a loss from $7 millions up to just over $8 millions.

Included in the numerical record of losses there is a large number of fires that have attached to them a very small monetary loss. The number of claims that are paid for losses that do not exceed $5 is remarkable. Records in respect to very small losses are not complete but figures are maintained of losses under $25. In 1935, out of a total of 42,468 fires, 21,455 of them, or 50%, were for claims of less than $25. By provinces, the percentage of fires for amounts of less than $25 of the total is as follows: Alberta, 26; British Columbia, 38; Manitoba, 32; New Brunswick, 35; Nova Scotia, 30; Ontario, 50; Prince Edward Island, 31; Quebec, 64; Saskatchewan, 33.

Solutions Differ

It is entirely another matter to approach the owner of a dwelling than the owner of a manufacturing or mercantile establishment. Usually the method of approach to the manufacturer or mercantile owner has been by means of legislation or by the inducement of reduced insurance costs. Neither of these plans can effectively be applied to the dwelling owner.

More rigid inspection on the part of insurance agents and the members of fire departments and a general policy of education seem to be the proper methods of setting about remedial action in respect to these dwelling losses.

Distribution Unchanged

Distribution of fires in 1935 was practically the same as in previous years. In the Province of Quebec there is apparently the largest number of fires per 10,000 population. About 60% of fires per 10,000 population are recorded by that province, but conclusions should not be drawn which are not proper or justified. In the larger cities, there is, numerically, a greater fire record than in the more widely scattered sections of the country. Montreal, for instance, has a tremendous number of fires, a great many of which are quite small in expense. Possibly owing to the fact that the fire department is very handy, there is perhaps more carelessness in the city than is found outside. The same, of course, is true of Toronto or Winnipeg or Vancouver or any large city of Canada, as it is in other parts of the world.

In Ontario the number of fires per 10,000 of population was 40. The lowest number reported was in the Province of Saskatchewan where population is very widely scattered. The record of that province was 12 fires per 10,000 population.

Fewer Conflagrations

Classified by extent of loss, 1935 fires indicate a decline in the number of larger loss blazes. When fire prevention work was begun in the Dominion, the authorities were faced with a large number of extensive losses in mercantile property, each year registering from 80 to 100 fires each with a total loss of more than $100,000.

This problem was attacked by every fire official, with the result that there has been a decline in large losses all along the line, until, in 1935, we had 7 losses only where each loss was for an amount greater than $100,000. There were 24 fires last year where loss exceeded $50,000, and 57 fires where loss exceeded $25,000.

Carelessness Costly

A great deal of attention is always given to the causes of fire, and there is never any change in that which heads the list. In reality, it is a generic cause known as smoker's carelessness. It arises from cigarettes, pipes, matches, general smoker's carelessness, and in 1935 was responsible for 11,765 fires involving a loss of almost $1.8 millions. There has been a tremendous change in the habits of Canadians with respect to smoking. In 1925 there was entered for consumption through the department of excise 2,500 million cigarettes. In 1934, according to the records of the department that number had been increased to almost 6,000 millions. In the same period, fires from cigarettes had more than quadrupled, the total back in 1924 being only 2,500.

Structural Defects

The next largest cause of fire is that which may be generally put down to structural deficiencies. Stoves, furnaces, boilers and pipes with 4,800 fires, defective chimneys 3,700 and electrical wiring and appliances 3,146 fires are the major items in this classification. Canada will be faced with these types of fires until better methods of construction and greater care and supervision in the erection of buildings are developed. It should be kept in mind that over 85% of the dwellings in Canada are frame construction, a very large proportion erected without any architectural supervision, built, in many instances, by the people themselves with a view to economy. A great many of them are of a very, very low value and are not adapted to their function.

The average amount of insurance on all dwellings in Canada is $827 on the buildings and $413 on the contents. This gives a total of just over $1,200 as the average amount of insurance carried on each unit dwelling in Canada.

The careless causes, perhaps, should have fuller mention. Petroleum products and other volatiles used in buildings occasioned 873 fires. Sparks, exposure to adjacent building fires, 810; and sparks from chimneys and roofs, 974.

AN OUNCE OF PREVENTION

No matter how adequately covered by insurance, fire causes a serious loss in time and inconvenience. There are some losses for which money cannot pay.

Fires like that illustrated above, with losses ranging well into the hundred thousands, arise in the most part from failure to observe simple precautions.

Last year Canada's fire toll dropped to the lowest figure on record, $23 millions. But $23 millions is still an enormous waste and leaves ample room for improvement. A further incentive to increased fire prevention activity is that 1936 has given indications that the declining trend of the last few years is being reversed and that a higher loss is in store.

Industry Has Duty In Fire Prevention

Co-operation Essential to Keep Losses at Low Level—Fire Loss Higher in 1936

BY W. J. SCOTT
Ontario Fire Marshal

Many a business has been ruined or crippled because a fire door was not operative, or on account of poor housekeeping methods or improper handling of hazardous materials or careless habits of employers and employees—in short, because fire prevention was not given a definite place in the operating programme. Every such loss weakens the pulse of community life, for home life and business life are inevitably bound together.

Industry should, in fact, regard itself a custodian of public safety, for it has a better opportunity to publicize the value of fire prevention than the individual home owner. A self-imposed intensive Fire Prevention Week safety programme by industry will not only mean greater security for industry but will afford a forceful impetus to the general nation-wide fight against a common enemy.

Co-operation Essential

The co-operation of industry is essential to succeed in keeping down fire losses. The industrialist and the merchant should make Fire Prevention Week an occasion for a "safety" stock taking and an opportunity to assist the local fire department and others in their efforts to make the community and the industries and the stores safe from fire.

Fire prevention should be an all-year programme, and Fire Prevention Week is set aside to focus our interest on that programme so that we will check up on our activities, take stock of what progress has been made and inject new energy into our plans. The best contribution that industry can make is a clear fire record of its own through constant study and the application of precautionary and preventive measures.

This does not merely mean the installation of fire extinguishing equipment. It also implies a systematic plan of ensuring that it is kept in proper condition for immediate use in an emergency and an assurance that all employees know how to operate it effectively. Sound business practice demands that much at least, if the investment in fire protection is to yield adequate dividends in safety. Equipment installed and then neglected represents waste and folly.

Need Definite Plan

Specific attention is essential to fire safety. The plant operator or the warehouse foreman or the store manager, with his attention devoted to his routine work may, in spite of good intentions and an honest regard for fire prevention, overlook hazards that are obvious to those who are detailed to look for them. A constant fire menace may not have been recognized, simply because it has been that way for a long time and has caused no trouble. Yet when these hazards are sought out, the remedy will generally suggest itself. In unusual cases expert advice should be enlisted.

Due probably to increased industrial activity with the lessening of the depression, industrial fires show an increase of over a quarter of a million of dollars in the first 7 months of 1936 as compared with the same period in 1935.

Over a period of years Ontario's fire loss has been showing a gradual and very gratifying decrease, in common with the rest of Canada and the United States. To date in 1936 this province has not followed the rest of the continent in the increased fire losses although there is a slight increase in the total from last year.

Ontario Fires Up

In the first 7 months of 1936 Ontario had 317 fires more than in the same period for 1935 with an increased loss of $120,429. The figures for the first 7 months of this year are 9,323 fires with a total loss of $4,846,597 of which all but $505,918 was covered by insurance. This increase is more than accounted for by the increase in factory fires of which there are 301 in 1936 as against 229 in the same period of 1935, the losses being $957,082 as against $699,354 or an increase of $257,728.

Store fires numbered 761 in the first 7 months of 1936 as against 623 in 1935, although the increased loss amounted to only $65,139 the total to date in 1936 being $1,053,899. In the 2 remaining main classifications of fires there was a slight increase in barn fires and a very considerable decrease, of over $140,000 in dwelling fires which still account for the largest number of fires by far and the largest loss, in 1936 there being 7,105 fires with a loss of $1,449,761.

Greater Need For Prevention

The increased factory and store losses show that renewed attention must be given to fire prevention work by manufacturers and merchants. Industry and modern business, in the rapid strides and important developments of the twentieth century, have introduced many materials and processes now considered indispensable, and at the same time have created severe potential fire hazards. These inherent hazards constitute an increasing load on the officials and agencies that are charged with suppression of fires and place a heavy responsibility upon industry in the observance of fire prevention.

Fire Control Rests Largely In Simple Care

Observance of Ordinary Caution May Save Millions

Fire is one of man's best friends, yet one of his worst enemies. It is a giver of energy, warmth and power. Yet it is a grim destroyer of life and property. It is a friend only so long as it can be kept under control.

To assist in maintaining this control and in preventing the huge annual loss, the following suggestions, applying particularly to dwellings, may be of value.

Inspect your home for common fire hazards or have the fire department make an inspection. Most fatal dwelling fires are due to well-known and readily preventable hazards which may exist in your home.

Remove rubbish and combustible materials from the cellar and attic. Do not store combustibles under stairways. Rubbish may ignite spontaneously or may contribute to the spread of fires from other causes.

Enlist the entire household in a fire-prevention programme. Teach all the family how fire causes may be eliminated. Be certain that each occupant has a means of escape if fire should occur at night.

Alarms should be given promptly when fire is discovered. Do not attempt to fight a fire unaided as it is likely to spread beyond control. Know the location of the nearest fire alarm box and understand how to sound an alarm.

Smoking materials carelessly used are among the most frequent causes of fires. Be careful in disposing of used matches and cigarette butts. Keep matches out of the reach of small children. Never smoke in bed.

Gasoline Hazard

Flammable liquids cause the greatest number of fatal fires in the home. Never use kerosene or gasoline to start or quicken a fire. Gasoline used in cleaning clothes may ignite from friction or static electricity.

Take no chances in leaving children alone in the house. They might be trapped should a fire occur. Fires often spread very rapidly. Save life first. Let the fire department save your property.

Electricity is safe when properly used, but causes many fires when improperly handled. Avoid amateur wiring as dangerous. Do not overload wiring. Fuses are the safety valves of the system; use standard fuses of the proper size.

Safety may depend on repairing a defective flue or stove pipe before starting the fire for the winter. Have the chimney cleaned.

Hot ashes should never be placed in wooden barrels or near wooden partitions. Use metal barrels for ashes and for rubbish.

Enquire of the fire department when buying a fire extinguisher to be certain of getting the right type. Know what to do should a fire start. Never run with your clothing ignited; smother the fire with a blanket or rug.

Nicholls President Winnipeg Institute

C. McE. Nicholls, of the Prudential Assurance Co., was elected president of the Insurance Institute of Winnipeg for the ensuing year at the annual meeting of that organization recently. Results of the examinations conducted by the Institute were announced at the meeting, 112 students having been successful in the tests. Of this number, 31 have completed the 3-year course either in fire or casualty insurance.

Other members of the executive are as follows: Honorary president, F. C. D. Oxenham, London & Lancashire; vice-president, T. D. Harris, Employers' Liability; secretary, G. E. Budden, Western Canada Insurance Underwriters' Association; treasurer, C. R. Francis, Canadian Fire; council members, R. P. Simpson, Sun; J. J. Milne, Royal Exchange; D. B. Murray, Canadian Pool Agencies; F. R. McDowell, Atlas Assurance; G. J. K. Irvine, Boston; H. P. Ham, British America; G. Merry, Grain Insurance.

Liverpool & London Names Ontario Guarantee Agent

Reed, Shaw & McNaught, Toronto insurance firm, has been appointed general agent for Ontario of the guarantee and burglary departments of the Liverpool & London & Globe Insurance Co. These departments will be under the managership of H. M. DeVries.

FIRE, AUTOMOBILE AND CASUALTY INSURANCE
PEARL
Incorporated in England 1864
ASSURANCE COMPANY LIMITED
OF LONDON, ENGLAND
An Old and Firmly Established British Company
EUREKA-SECURITY
FIRE AND MARINE INSURANCE COMPANY
OWNED & OPERATED BY THE PEARL
Head Office for Canada
METROPOLITAN BUILDING - TORONTO
Lawson T. Hargreaves - Manager for Canada

SECURITY
ROYAL INSURANCE COMPANY LIMITED
PROTECTION

Fortify for Fire Fighting
The Man Who Knows
that the soda and acid type of fire extinguisher is accepted as emergency apparatus installs a GUARDENE in schools, hospitals and all public buildings. One of six types made by Pyrene and approved by the Underwriters' Laboratories. Ask your insurance man.

PYRENE MANUFACTURING COMPANY
91 DON ROADWAY, TORONTO

FIRE AUTOMOBILE
Assets Over $5,173,000
MARINE CASUALTY
Losses Paid Since Organization of Company in 1833 over $75,168,000
BRITISH AMERICA ASSURANCE COMPANY
RENDERING INSURANCE SERVICE SINCE 1883
THE BRITISH AMERICA ASSURANCE COMPANY OF TORONTO
TORONTO - CANADA

Established 1809
NORTH BRITISH & MERCANTILE INSURANCE COMPANY LIMITED
RAILWAY PASSENGERS ASSURANCE COMPANY
THE OCCIDENTAL FIRE INSURANCE COMPANY
ALL KINDS OF
FIRE and CASUALTY INSURANCES
HEAD OFFICE FOR CANADA & NEWFOUNDLAND
460 St. François Xavier — Montreal
EDGAR J. KAY — Manager
Branches at: Toronto, Winnipeg, Regina, Calgary, Vancouver

You may not be able to PREVENT FIRES but you are able to PREVENT LOSSES
NORWICH UNION FIRE INSURANCE SOCIETY, LTD.
Head Office for Canada—12 Wellington St. E., TORONTO
E. M. WHITLEY, General Manager for Canada
F. W. LAMONT and C. C. PAULL, Asst. Managers

CENTRAL MANUFACTURERS Mutual Insurance Company
1201 Concourse Building — TORONTO — ELgin 7207
MUTUAL FIRE and AUTOMOBILE INSURANCE
Policies Non-Assessable
Net Surplus $2,254,877.28
Annual Cash Dividends Paid Since Organization in 1876
Present Dividend Rate 25%

"Old Established Financially Strong and 'Service' Minded"
NEW YORK FIRE INSURANCE COMPANY ESTABLISHED 1832
MERCHANTS & MANUFACTURERS FIRE INSURANCE COMPANY ESTABLISHED 1849
AMERICAN EQUITABLE ASSURANCE COMPANY OF NEW YORK
Corroon & Reynolds (Canada) Incorporated
HEAD OFFICES IN CANADA, INSURANCE EXCHANGE BUILDING
MONTREAL
BRANCH OFFICE TORONTO
J. MARCHAND, Manager

"Very Satisfactory"
Its unusual growth and world-wide service are good evidences that the Society's policyholders find it a very satisfactory company to be insured in.
UNION INSURANCE SOCIETY OF CANTON LIMITED
ASSETS — $31,000,000.00
HEAD OFFICE FOR CANADA, TORONTO
COLIN E. SWORD, Manager for Canada
J. W. BINNIE, Associate Manager (Montreal)

FIRE AUTOMOBILE RIOT EXPLOSION TORNADO INLAND TRANSPORTATION
Agents Everywhere
W. R. HOUGHTON Manager
THE LONDON & LANCASHIRE INSURANCE Co. LTD.
F. L. WAYLETT Asst. Mgr.
HEAD OFFICE FOR CANADA
4 Richmond Street East, Toronto
LAW UNION & ROCK
INSURANCE COMPANY LIMITED
OF LONDON, ENGLAND
CANADIAN HEAD OFFICE, TORONTO
MERCANTILE FIRE
INSURANCE COMPANY
HEAD OFFICE, TORONTO
THE QUEBEC FIRE
ASSURANCE COMPANY
HEAD OFFICE, QUEBEC, P.Q.
G. H. HENDERSON, Chief Agent and Secretary
BRANCH OFFICES
Montreal, Saint John, Quebec, Winnipeg, Vancouver

100 YEARS IN CANADA providing dependable, sound protection to Canadian industries and property owners; tested by time and disaster the

HARTFORD FIRE INSURANCE COMPANY
Head Office for Canada, 24 Wellington St. East, Toronto

Together with the HARTFORD ACCIDENT AND INDEMNITY COMPANY writes practically all classes of insurance except life.

Combined Assets exceed $150,000,000
Investments in Canada over ......$ 6,500,000

St. Paul Fire and Marine Insurance Company
St. Paul, Minn.
Founded 1853

Capital and Net Surplus as at July 1, 1936
$25,599,196

Head Office for Canada:
402 Paris Building, Winnipeg, Manitoba
P. A. Codere, *Chief Agent*

Agents in Principal Cities Across Canada

1836 — 1936

THE LIVERPOOL & LONDON & GLOBE INSURANCE COMPANY LIMITED

1836 — 1936

Do You Know?

- That the Fire Alarm System in your city is of the utmost importance to you, and that without it and its proper functioning you would run the risk of life and property losses? Do you realize that it is an important factor in providing low insurance premiums? Do you realize the progress that has been made in the design and dependability of this type of equipment?
- Where your nearest Fire Alarm Box is?
- That you should be familiar with its location in case of emergency?
- That a fire in your home cannot injure your means of communication with the Fire Department through the Fire Alarm System?
- What to do if your home is on fire?
- That in such case you should send someone to the nearest box to turn in the alarm and at the same time stand by to prevent loss of life?
- What to do when you reach a Fire Alarm Box, to turn in a call? (There are different types of boxes —see what type yours is.)*
- That your Fire Alarm System is electrically SUPERVISED continuously and that, if anything goes wrong with a circuit for any reason whatsoever, a bell rings in the central office and calls instant attention to the fact? With latest equipment, even though trouble occurs in the circuit, your call will go through just the same while the trouble is being investigated and corrected?

*Examine your nearest fire alarm box; if you are not familiar with its operation enquire from your fire department for instructions.

11-180

Northern Electric COMPANY LIMITED
A NATIONAL ELECTRICAL SERVICE

Fire Volume Of Premiums Still Falling

Board Companies Show Greatest Drop in Business

LOSSES HIGHER

Fire insurance companies will record a higher loss ratio in 1936 on the basis of business written to date.

In view of the remarkably low loss ratios of the last few years—particularly that of slightly more than 36% in 1935—this prospect in itself is certainly not bleak. But insurance executives are worrying over the failure of premium income to advance.

At the beginning of the year, it was anticipated that both premium income and losses would be higher than last year. The general experience has been that only the second development has materialized. Influenced in some degree by low real estate values, the loss total in the Dominion fell to record low depths in recent years. It was this factor which resulted in the drop in loss ratios, as the volume of business written also fell away. The prophecy that returning prosperity would bring with it an increase in losses has been fulfilled in some measure this year, although the increase has been small.

Premiums Still Lower

The increase in premium income, which was expected to offset the higher loss figures at least in part, has not materialized. This is not true of all companies, of course. Some report considerably better business. For the most part, however, volume is quite definitely under the 1935 level. One estimate places the figure at about 7 or 8% below last year. This has come in the face of what one executive has described as a tendency to loosen up in selection of risks.

The explanation of reduced premium income is twofold. In the first place, there has been as yet no substantial increase in building values. As values appreciate, so, obviously, must the insurance coverage be increased. There is now a firmer tendency to building valuations, and rents which are usually in the fore of any movement, have shown some increase. As a result, some increase in insurance volume in the near future may reasonably be expected from this source.

A similar "stickiness" has been apparent in inventories, with the very small stocks maintained by both manufacturers and distributors seriously cutting into the demand for insurance.

Rates Cut

The second major reason why income has not gone up is that rates have been further reduced. Even in board companies, it is stated, there has been steady decline in insurance cost this year. To some extent this may be regarded as an offshoot of the factors mentioned above. The narrowed field has served to sharpen competition.

The decrease in business has been mainly at the expense of board companies; that is, member companies of the Canadian Underwriters Association. Over the last 5 years the proportion of fire insurance written by board companies has dropped from 79% to 70%, each year recording a smaller percentage of a shrinking total. This year has seen a continuance of this trend.

Buy on Price Basis

Most board company officials interviewed by The Financial Post admitted loss of business to the usually lower-cost non-board and mutual companies. They were inclined to regard the development as annoying rather than serious, however. One stated that insurance is being purchased more on a price basis; it is but natural that those hit by depression should seek the lowest possible cost for their insurance. As the bulk of the coverage has been written by board companies, it is contended, it was to be expected that inroads would be made on their business. Board underwriters are confident that the business will be regained when more normal conditions prevail.

The effect of the lower income total is perhaps most noticeable in the expense ratio, an item which bulks large in all branches of insurance. It is estimated that in the case of fire insurers, few operate at a cost of less than 40% of premiums. The inroads made on earnings by declining revenue, in the face of relatively fixed overhead charges, are obvious.

$100 a Minute

Every minute of every day in the year, $100 worth of property is destroyed in Canada.

DWELLING FIRES COSTLY

Fires in dwellings have failed to keep pace with the declining trend in other classifications. True, marked improvement in the aggregate loss has been experienced in the last 3 years, but this improvement has not been as substantial as in other types of fire loss. In actual number there has been an increase.

In considerable degree, this may be attributed to the mushroom growth of small claim fires, mainly "tobacco" fires, where carelessness has resulted in a host of claims on insurance companies. Inadequate precaution in storing materials and rubbish is also to blame for a large percentage of the total loss. Almost half of all dwelling fires start in the basement, and a further 17% in attics, both likely storage locations.

Dwelling fires are the greatest single cause of burning fatalities, accounting for almost 60% of the total.

Canadian Fire Loss Halved in Five Years

Once credited with the highest per capita fire loss of any nation, Canada has halved her fire toll of 5 years ago and now is in a position where her experience bears comparison with other leading nations.

In 1935, property loss accruing from fire amounted to $23.2 millions, a huge waste total, but small in comparison with that in years prior to the depression. The peak figure was reached in 1929 at $47.5 millions, or a per capita loss of $4.85. Since 1931 each year has witnessed a substantial decline to bring the 1935 figure to the lowest point since statistics have been compiled.

All provinces except Nova Scotia recorded betterment in 1935, although the actual reduction of losses was not as large as in the previous year. The Prairie Provinces maintained their record as the low loss area, all 3 provinces having per capita figures of $1.40 or less. On the other hand, Ontario, with $2.92 cost per person, was the highest loss province. It is considered only natural that the sparsely populated areas should record the most favorable experience, and vice versa.

More Deaths

Measured by deaths caused by fire, the experience of the Dominion in 1935 is not as favorable. An increase of 25 is noted in the total of 293. This is the highest figure for any year since 1930. It is significant that more than half the fatalities involved children.

Figures of fire loss experience by provinces in the last 3 years are given in the following table:

Provincial Fire Losses

Province:	1935 $	1934 $	1933 $	1935 $	1934 $	1933 $
Alberta	1,087,614	1,177,370	1,435,612	1.39	1.60	1.96
British Columbia	1,941,702	1,988,501	1,852,253	2.64	2.86	2.62
Manitoba	1,040,135	1,195,160	1,146,000	1.40	1.70	1.64
New Brunswick	1,058,704	823,523	2,188,200	2.46	2.02	5.36
Nova Scotia	1,155,759	1,219,215	1,779,614	2.19	2.38	3.47
Ontario	8,164,350	10,040,144	11,250,182	2.27	2.92	3.28
Prince Edward Island	167,303	191,103	272,696	1.88	2.17	3.10
Quebec	7,404,965	7,567,975	10,862,250	2.41	2.65	3.78
Saskatchewan	1,188,694	1,233,335	1,869,903	1.22	1.33	2.03
Floater	12,295	1,514	19,604	...	...	...
Total	23,221,521	25,437,840	32,676,314	2.12	2.44	3.15

Lowest Fire Loss Recorded by Galt

To Galt, Ont., goes the honor of being Canada's most fire-free "big" city in 1935. In recording the lowest fire loss total of any city the lowest fire loss total of any city in the Dominion with population more than 10,000, the Granite City chalked up the smallest per capita loss in some years, 9 cents.

Generally speaking, 1935 was a year of low loss figures, reflecting the record experience of the Dominion as a whole.

Others of the larger centres to show exceptionally favorable figures were St. Catharines, Ont., in first place 2 years ago, with a record of 18 cents, Regina, Sask., with 22 cents, Thetford Mines and Verdun, Que., with 25 and 35 cents, respectively.

FIRE LOSSES IN MUNICIPALITIES WHERE POPULATION EXCEEDS 10,000

Municipality:	Population 1935	Total property loss, 1935	Loss per capita 1935	Loss per capita 1934	Loss per capita 1933
Ontario—					
Belleville	14,411	26,190	1.82	0.96	2.32
Brantford	31,236	39,738	1.27	0.93	0.56
Chatham	16,500	17,280	1.05	1.55	2.86
Cornwall	12,507	23,461	1.88	0.51	35.29
East Windsor	......	......	...	0.58	1.53
Fort William	25,000	65,277	2.61	1.79	5.45
Galt	14,002	1,260	0.09	0.14	0.69
*Greater Windsor	101,157	164,780	1.62	...	...
Guelph	21,139	21,195	1.00	2.52	1.52
Hamilton	154,000	380,740	2.47	1.19	1.14
Kingston	23,439	10,121	0.43	4.77	7.51
Kirkland Lake	17,122	16,270	0.95	0.11	0.76
Kitchener	32,571	82,957	2.55	2.04	0.33
London	75,484	74,453	0.99	2.77	1.36
Niagara Falls	19,000	21,808	1.15	1.41	2.46
North Bay	16,543	44,165	2.67	3.33	1.64
Oshawa	24,130	6,639	0.28	1.09	1.02
Ottawa	137,344	318,753	2.32	2.85	2.24
Owen Sound	13,139	13,861	1.05	0.78	1.78
Pembroke	10,227	10,850	1.06	0.78	1.40
Peterborough	22,973	6,166	0.27	3.34	2.11
Port Arthur	20,349	46,826	2.30	1.21	1.77
St. Catharines	26,571	4,751	0.18	1.67	0.28
St. Thomas	16,000	8,288	0.52	1.08	5.37
Sandwich	......	......	...	0.66	0.32
Sarnia	18,000	12,305	0.68	3.94	0.74
Sault Ste. Marie	23,384	92,020	3.94	2.51	7.58
Stratford	17,627	56,675	3.22	0.65	2.49
Sudbury	22,000	19,425	0.88	1.43	1.46
Timmins	22,000	18,968	0.86	0.44	0.34
Toronto	629,285	771,885	1.23	1.57	1.42
Walkerville	......	......	...	1.12	0.27
Welland	10,800	5,136	0.48	6.61	3.13
Windsor	......	......	...	0.93	1.55
Woodstock	11,000	2,880	0.26	0.32	0.36
Quebec					
Chicoutimi	13,020	27,418	2.11	0.67	0.77
Granby	12,000	14,700	1.23	0.75	3.13
Hull	30,058	54,505	1.81	3.44	4.56
Joliette	11,500	226,770	19.72	3.97	1.59
Jonquieres	11,200	16,486	1.47	0.96	1.01
Lachine	18,539	13,790	0.74	1.77	2.13
Levis	12,000	12,095	1.01	3.22	1.97
Montreal	1,198,843	2,028,745	1.69	1.84	3.33
Outremont	29,000	130,903	4.51	5.38	2.74
Quebec	142,000	301,493	2.12	4.00	4.26
St. Hyacinthe	18,000	9,300	0.52	2.57	1.21
St. Jean	12,500	8,410	0.67	0.64	1.95
Shawinigan Falls	16,400	8,308	0.51	3.88	1.90
Sherbrooke	29,512	48,877	1.66	0.79	1.10
Sorel	10,727	12,421	1.16	2.84	2.13
Thetford Mines	10,800	2,657	0.25	0.35	0.55
Three Rivers	40,000	78,947	1.97	2.21	2.38
Valleyfield	13,280	23,140	1.74	1.31	41.40
Verdun	60,871	21,183	0.35	0.84	1.09
Westmount	26,000	73,386	2.82	4.15	0.73
Manitoba—					
Brandon	17,486	16,505	0.94	0.68	1.29
St. Boniface	16,382	79,849	4.87	0.46	0.70
Winnipeg	224,908	219,386	0.98	1.17	1.44
Saskatchewan—					
Moose Jaw	23,000	24,166	1.05	1.18	0.74
Prince Albert	10,000	48,417	4.84	2.00	0.57
Regina	55,000	12,234	0.22	0.32	1.31
Saskatoon	43,234	70,048	1.62	1.88	1.74
Alberta—					
Calgary	83,000	36,005	0.43	1.34	4.42
Edmonton	81,621	121,320	1.49	1.21	1.27
Lethbridge	14,000	19,392	1.39	0.34	0.69
Medicine Hat	10,000	14,397	1.44	0.40	0.68
British Columbia—					
New Westminster	21,000	20,054	0.95	0.62	0.34
Vancouver	245,000	302,422	1.23	1.23	1.28
Victoria	39,012	98,312	2.52	2.64	0.81
Nova Scotia—					
Glace Bay	21,000	30,206	1.44	1.53	2.27
Halifax	65,000	140,999	2.17	1.82	11.69
Sydney	25,000	61,159	2.45	4.70	5.50
New Brunswick—					
Moncton	20,689	75,104	3.63	2.01	6.06
Saint John	50,000	121,763	2.44	2.60	4.38
Prince Edward Island—					
Charlottetown	12,361	7,321	0.59	3.12	1.06

*Includes the former municipalities of Windsor, East Windsor, Walkerville and Sandwich.

Reciprocal Insurers Get Federal License

Warner Reciprocal Insurers and Canners Exchange Subscribers at Warner Inter-Insurance Bureau, American reciprocal exchanges, have been granted federal certificates of registry. The certificates authorize underwriting of fire risks, and, limited to risks insured for fire, falling aircraft, earthquake, tornado, hail, sprinkler leakage, limited or inherent explosion and civil commotion insurance.

W. E. Sommerville, Toronto, has been appointed chief Canadian agent of the exchanges which have been operating in the Dominion under provincial license. It is understood that an office will not be opened in Canada.

Issue 1936 Booklet Of Government Statistics

Statistics on Canadian provinces and for major cities are tabulated concisely in the handbook, "Canadian Government and Municipal Financial Statistics, 1936," prepared by Wood, Gundy & Co.

Charts showing comparative debts of the provinces as well as statistics for the past 10 years are given in the booklet. Per capita tax positions are charted for the cities. The booklet includes a folding map of Canada and Newfoundland.

Fire Fatalities

About 350 persons are burned to death and a much larger number injured by fire in Canada every year.

Write for descriptive folder to our nearest office
Toronto
Hamilton
Ottawa
Montreal
Quebec City
St. John
Halifax
Winnipeg
Saskatoon
Calgary
Edmonton
Kelowna
Victoria
Vancouver

UNDER the Northwestern Mutual plan, fire insurance protection is written at actual cost. The saving made is returned to the policyholder in the form of DIVIDENDS.

BETTER fire protection at LOWER COST

NORTHWESTERN MUTUAL FIRE ASSOCIATION
Non-Assessable Policies — Assets $6,000,000

"I certainly appreciate such prompt settlement"

Safety of the Company—and prompt, fair settlements are most important features to look for when insuring against fire.

For over 64 years the Economical Mutual Fire Insurance Company—with assets over $2,000,000.00—has instructed its adjusters to settle all claims *without delay and with absolute fairness.*

Consult your local agent about a policy in—

THE ECONOMICAL MUTUAL FIRE INSURANCE COMPANY
Geo. C. H. Lang, President — F. W. Snyder, Managing Director
HEAD OFFICE: KITCHENER, ONTARIO

Cigarette Hazard

"Where there's smoke, there's fire." In 1935, every man and woman of smoking age in Canada consumed 1,250 cigarettes. Carelessness of these smokers resulted in almost 12,000 fires.

Dwelling Fires

Careless stowage of stored material and rubbish is the cause of a good many fires. No less than 46% of all dwelling fires begin in the basement. A further 17% are traced to attics.

OWNED AND CONTROLLED BY CANADIANS

THE GORE DISTRICT MUTUAL FIRE INSURANCE COMPANY
HEAD OFFICE: GALT - - ONT.
Established 1839
Licensed in Manitoba, Saskatchewan and British Columbia

THE PRUDENTIAL ASSURANCE COMPANY LIMITED OF LONDON, ENGLAND
LIFE, FIRE, CASUALTY
Total Assets of all Branches Exceed 1410 Million Dollars
Claims Paid Exceed - - - 2238 Million Dollars
Head Office for Canada
Lewis Bldg., 465 St. John St., Montreal
The Largest Insurance Organization in the British Empire
Established 1848

Founded 1880
A TOWER OF STRENGTH
In erecting your bulwarks of Insurance, your first concern is — or should be — the unquestionable ability of the Company to meet your claims promptly.
This old-established Company has on deposit with the Receiver General at Ottawa $2,814,486.32 for the sole protection of Canadian Policyholders.

THE EMPLOYERS' Liability Assurance Corporation Limited, of London, England
MONTREAL TORONTO
WINNIPEG CALGARY VANCOUVER
FIRE AUTOMOBILE CASUALTY

Co-operation in Preventing Fires

The entire organization of the Great American Group is always prepared and willing to serve in every way possible to assist in the reduction of the very great economic waste through fire.

Great American Group of Insurance Companies New York
Great American Insurance Co. — Rochester Underwriters Agency — American Alliance Insurance Co. — Great American Indemnity Co. — County Fire Insurance Company of Philadelphia
Fire Automobile Hail Inland Transportation
HEAD OFFICE FOR CANADA: 465 ST. JOHN ST., MONTREAL
ADAM McBRIDE, Manager — HERBERT C. BOURNE, Associate Manager
TORONTO WINNIPEG VANCOUVER

Bank Chat

Alberta Jitters

MAKE haste very, very slowly is the policy of the banks in regard to Alberta.

Until some more definite indication of the legality of the recent debt adjustment legislation is forthcoming, the volume of new loan business in Aberhart's Alberta is apt to be decidedly skimpy. If by any chance the legislation should be valid, it is probable Albertans can bid farewell to any additional credit from the banks.

One banker summarized the situation very neatly:

"We will travel just as fast as the road warrants. A close study of the situation is naturally being made, and we are certainly not going to tear along at a 45-mile-an-hour clip on a road which will stand only 2. And if there is a deep hole in the road, it may be best to turn about altogether."

* * *

Bank Politics

APPOINTMENT of the government directors to the Bank of Canada appears to have overcome, for the time being at least, the danger of political domination. While the majority of the new appointees are Liberals, only 2 of the entire slate have been at all active in party affairs. One of these is G. G. Coote, who has given some evidence of leanings toward Liberalism, but has never deserted the United Farmers of Alberta party. The other politician, or rather erstwhile politician, is Fred Magee who was once a minister without portfolio in the New Brunswick legislature. However, he is said to have been inactive in politics for more than 10 years.

Some have taken it for granted that Mr. Coote, being both a farmers' representative and from Alberta, is a money radical. Such is not the case. He has never been led away by the more fantastic theories. True, he was for a time a student of Major C. H. Douglas, but later became more impressed by Sir Basil Blackett and J. M. Keynes. He is designated a "middle of the road" man, believing in state inflation when in the throes of deflation, and vice versa.

Mr. Keynes has another disciple among the government directors. Robert McQueen, youthful head of the University of Manitoba, is a London School of Economics man and is reported to be an admirer of the eminent English economist. He is understood to hold, with Keynes, that the state must take an increasing hand in controlling interest rates.

* * *

Loan Trends

THE outstanding effect of the depression on banking has been the trend away from commercial loan activity into investment dealings. In commenting upon this feature, Leonard P. Ayres, of the Cleveland Trust Co., advances the view that a major factor has been the long-continued deficit financing of federal governments.

Large bond and note issues have been floated by government authorities with a considerable proportion being taken up by the banks. Then the government has spent proceeds of the security sales and the funds have rapidly flowed through business channels and returned to the banks as demand deposits. Says Col. Ayres:

"Under these circumstances business, even in a period of rapid expansion, appears to have only limited needs for additional commercial loans. It now appears probable that for a long time to come bank funds will mostly be held in the form of investments, and that the making of commercial loans will constitute only a minor activity of the banks."

And speaking of American economists, Roger Babson claimed last week that bankers have learned little in the last 6 years. Higher interest rates were predicted by the well-known commentator who said that he believed "that those who are now buying callable, non-convertible, low-rate, 20-year bonds for their institutions are making a great mistake."

Feeling fit today? NOW is the time to secure that Policy. Delay is unwise.

CROWN LIFE INSURANCE COMPANY

Consult the Crown Life Man

TORONTO BRANCH OFFICES
Crown Life Bldg., 55-59 Yonge St.
Central Bldg., Richmond St. W.

August Debits Up 5 Per Cent

First 8 Months Show Material Increase Over 1935

Debits of the Canadian chartered banks in August totalled $2,619 millions, an increase of almost 5% over the same month last year. The increase was recorded despite a substantial decline in the Prairie Provinces and a slightly lower total in the Maritimes.

Comparison with the previous month is less favorable. After adjustment for seasonal trend, there was a decline of 3%. All 5 economic areas shared in the decline, varying in percentage change from 0.3% in Quebec to 11.4% in British Columbia.

The total for the first 8 months of the year, however, shows a material gain of more than 12%, reflecting acceleration in business and speculative activity. British Columbia leads in the cumulative total with an increase of 25% over the corresponding period of 1935. Following, in order, are: Quebec, 19%; Maritimes, 11%; Prairies, 9.8%; and Ontario, 7.7%.

Debits to Individual Accounts

	Aug., 1936	Aug., 1935
	$	$
Maritime Provinces—		
Halifax	24,706,004	26,152,347
Moncton	7,867,058	7,520,202
Saint John	15,355,310	14,813,953
Total—Maritime Provinces	47,928,372	48,486,502
Quebec—		
Montreal	732,766,068	625,692,498
Quebec	50,482,415	46,096,846
Sherbrooke	5,689,062	5,327,371
Total—Quebec	788,937,545	677,116,715
Ontario—		
Brantford	8,661,508	6,721,116
Chatham	7,647,222	5,432,893
Fort William	5,346,835	4,683,251
Hamilton	46,225,612	42,886,204
Kingston	5,013,801	4,342,822
Kitchener	9,682,856	8,851,217
London	34,022,353	28,057,916
Ottawa	100,011,244	89,172,488
Peterborough	5,383,091	4,543,958
Sarnia	5,727,859	5,957,813
Sudbury	6,450,850	4,520,339
Toronto	829,733,395	770,631,816
Windsor	29,828,113	17,170,744
Total—Ontario	1,093,734,739	992,372,577
Prairie Provinces—		
Brandon	2,259,841	1,944,345
Calgary	47,815,921	48,173,165
Edmonton	26,991,687	31,031,715
Lethbridge	3,683,878	4,379,531
Medicine Hat	2,285,388	2,281,823
Moose Jaw	6,517,672	4,489,887
Prince Albert	2,047,762	1,927,008
Regina	44,811,248	37,955,399
Saskatoon	9,884,378	8,595,890
Winnipeg	376,203,615	496,984,350
Total—Prairie Provinces	522,501,390	637,763,113
British Columbia—		
New Westminster	6,429,484	5,287,483
Vancouver	133,513,046	116,309,140
Victoria	26,107,924	20,267,002
Total—British Columbia	166,050,454	141,863,625
Total	2,619,152,500	2,497,602,532

Bank of Canada Weekly Statement

Continuing the seasonal trend of recent weeks, note circulation of the Bank of Canada advanced $4 millions in the week ended Sept. 23. Major changes in assets included advances in security holdings and in United States reserve.

Balance Sheet

Liabilities	Sept. 23	Sept. 16
	$	$
Capital paid-up	10,100,000	10,100,000
Notes in circ.	127,031,948	123,028,676
Rest fund	173,092	173,092
Dep.: Dominion	20,540,937	20,239,545
Banks	171,105,144	169,057,761
Other	212,928	217,916
Total deposits	191,859,009	189,515,222
All other liabs.	2,064,397	6,153,010
Total liabs.	331,228,446	328,970,000
Assets		
Reserve: Gold	179,273,941	179,415,159
Silver bullion	1,868,981	1,868,982
Res. in sterling	2,526,503	336,854
Res. in U. S.	6,400,975	4,726,240
Res. elsewhere	5,530	6,021
Total reserve	190,075,930	186,353,255
Subsidiary coin	195,646	186,975
Advances	3,000,000	3,000,000
Investments:		
Dom. govt. short	45,450,616	45,239,652
Other Dom. govt.	90,685,323	89,528,862
Total invest.	136,135,939	134,768,514
Premises	265,376	265,376
All other assets	1,555,555	4,395,880
Total assets	331,228,446	328,970,000
Reserve ratio	59.60%	59.62%

Weekly Bank Clearings

	Sept. 24 1936	Change year ago	Sept. 17 1936
	$	%	$
Halifax	2,149,571	+5.0	2,929,325
Saint John	2,046,671	+24.7	2,330,469
Moncton	771,834	—4.4	766,018
Sherbrooke	684,713	+29.5	616,079
Quebec	3,563,304	—4.8	4,804,941
Montreal	105,244,569	+24.0	123,870,000
Ottawa	15,841,003	—22.1	18,327,193
Kingston	638,583	+8.7	658,888
Peterborough	654,059	+24.9	704,888
Toronto	126,694,507	+15.2	172,633,757
Hamilton	4,225,965	+0.1	4,412,234
Kitchener	1,067,242	+12.6	1,368,369
Brantford	993,055	+38.6	954,211
London	2,715,423	+24.0	3,274,516
Chatham	402,670	+2.5	378,421
Windsor	2,425,823	+25.4	2,609,592
Sarnia	445,794	+0.2	409,431
Sudbury	949,295	+19.1	938,434
Fort William	828,407	+43.6	775,848
Winnipeg	76,990,920	+25.1	83,860,356
Brandon	396,021	+40.2	416,795
Regina	8,614,935	+70.9	10,732,450
Moose Jaw	935,797	+61.2	963,249
Saskatoon	2,156,508	+21.3	2,239,129
Prince Albert	433,031	—36.0	441,499
Edmonton	3,906,890	+18.0	4,262,351
Medicine Hat	264,379	—27.6	275,842
Lethbridge	519,646	—24.2	534,554
N. W'minster	621,119	+17.6	694,205
Vancouver	19,406,498	+32.1	23,716,070
Victoria	1,762,222	+12.3	1,638,328
Calgary	7,280,400	+13.2	8,897,900

Two Bank Branches Closed in August

Two branches were closed by the Canadian chartered banks in August and one opened, leaving the total at the end of the month 3,527. Offices closed were those of the Canadian Bank of Commerce at Gladmar, Sask., and Yonge and Lytton Sts., Toronto. The Banque Canadienne Nationale opened a branch at Baie Comeau, Que.

These changes refute the rumor, emanating from various sources, to the effect that the banks have closed a number of branches in Alberta in recent months. In line with general policy, some of the branches in Alberta have been closed where business did not warrant their operation. But this has been true of the other provinces as well.

United States Fidelity & Guaranty Company TORONTO

—Sketch courtesy of Mathers & Haldenby, Toronto.

IMPERIAL LIFE MOVES UP

This is the architect's version of what the new ninth floor of the Imperial Life head office at Toronto will look like when completed.

The new floor will be devoted entirely to dining, lounge and kitchen facilities, thus releasing a lower floor for general office purposes. It will be completely air-conditioned by a special plant installed for that purpose, with double-glazing to prevent condensation and resultant frosting during the cold weather and clouding of the windows in the summer months.

Appointments will be in the modern manner including a new general auditorium for staff and company meetings. An entirely new block of elevators will be installed to serve the building.

Underwriter Challenges Loaned Policy Plan

Editor The Financial Post:

In view of the comment caused by the article in your issue of September 12 under the heading "Policyholder Well Advised to Continue Loaned Policy," and the unfavorable light the many conscientious underwriters, who have been in the business a long time are placed in, it is time that someone did a little plain speaking on the subject of rewriting life insurance policies.

In the first instance, your illustration, to show the profit to the policyholder through maintaining his old policy for 10 years, depends entirely on the maintenance of a high dividend scale on the part of the insurance company.

In the second instance, if the figures in Stone and Cox for 1936, for the company whose figures are quoted in the illustration, are correct, then the premiums for $8,666 of insurance is $298.89 instead of $308.90; and this discrepancy of $10.01, if deposited with the same company at their present net rate of 4% (which is the policyholder's privilege), would amount to $125 at the end of the tenth year; so that the illustration purporting to show a saving by continuing the old policy of $107, actually would show a loss to the policyholder of $18.

The case, however, is not well taken. Hypothetically, a policyholder at age 45 today who purchased a $10,000 policy at age 35 was likely married at approximately age 28. He is an ordinary "family man" with 3 children, and is just reaching the place where his family is "becoming expensive." His loan of $1,334 indicates that he is no longer in a position to pay the premium of $274 for $10,000 of insurance, let alone $354 for $8,666.

We assume that the policyholder is insurable, which was inferred in your illustration, in which case $8,666 of insurance at age 45 can be purchased for $247.22 and as the following illustration shows, the policyholder will show a net gain at the tenth year by purchasing a new policy of $1,460.67.

Policy Illustrated (Age 35) $10,000	$	New Policy (Age 35) $8,666	$
Premium	274.00	Premium	247.22
Int. on loan of $1,334 at 6%	80.05	Annual difference in payment	106.83
Annual payment	354.05		354.05
After 10 Years			
Total payments	3,540.50	Total payments	2,472.20
Less dividends	818.70	10th year cash value	1,707.20
	2,721.80		
Increase in cash value	1,830.00		
Net outlay	891.80	Net outlay	765.00
Annual difference in payments in 10 years at 4%	1,333.87	Total gain in favor new policy	1,460.67
Total to continue old policy	2,225.67		2,225.67

But, if the policyholder replaces his original insurance, he can purchase $10,000 of insurance for an annual premium of $285.40, with a cash surrender value the tenth year of $1,970; making the net cost of $10,000 of insurance for 10 years, $884 against your illustrated net cost of $891.80 for a policy of only $8,666.

I do not think the argument need be prolonged, but if it is necessary, I could supply you one illustration each week for the next 52 weeks, where it is distinctly to the policyholder's advantage to rewrite his contract; in most instances where no loan exists. The underwriter who brings these cases to the attention of his clientele is rendering a real service and deserves to be paid on the same basis as any other legitimate businessman expects to be remunerated.

J. W. McEOWN.

Toronto, Ont.

Canadian Institute Now Under Way

New Life Insurance Body Planning Dominion-Wide Activities

Organization work of the proposed Life Insurance Institute of Canada is actively under way, according to a preliminary statement issued last week by T. M. Sargant of North American Life who is secretary pro tem of the new body.

If present plans mature it is hoped to hold four programme meetings in Toronto during the winter, the first of which will be held toward the end of October—this initial meeting to be an inaugural affair introducing this new venture into the life insurance field.

A major activity of the new body will be the carrying forward of educational activities among students as has been done heretofore by the predecessor body, Insurance Institute of Toronto. The new organization will be Dominion-wide in scope and personnel and will be devoted exclusively to life insurance.

Life Insurance Institute of Canada is the result of a decision at the last annual meeting of Insurance Institute of Toronto to segregate life insurance from fire and casualty. Aim of the body is to "make a vital and worthwhile contribution to the advancement of life insurance companies and their employees in Canada." The syllabus of examinations will be identical with that adopted by the Toronto Institute in 1935 and student members will carry into the new body examination credits they now hold from that organization.

Eventually it is hoped to extend the activities of the new organization by means of chapters in Montreal, Winnipeg, Waterloo and London. A new constitution is now being drafted.

Insurance Inklings

ALEXANDER MACKENZIE, assistant general manager and manager of agencies for Manufacturers Life, has completed 20 years of service with the company. He joined the company as inspector for Ontario in Sept., 1916.

On Jan. 1, 1918, he was appointed assistant manager of agencies and on Jan. 1, 1919, manager of agencies. His appointment as assistant general manager was made in 1935.

HARTLEY D. MCNAIRN, superintendent of insurance for Ontario, will address the American Life Convention at Dallas, Texas, Oct. 12-16, on "The Revised Uniform Life Insurance Laws of the Canadian provinces."

C. C. FERGUSON, general manager of Great-West Life, will address the same meeting on "Interest and Related Subjects." Another Canadian to address the convention is George H. Harris, of Sun Life, who will speak on "Life Insurance—a National Asset."

JOSEPH O. HALLE has been appointed manager at Three Rivers for Montreal Life. He has been assistant manager at Quebec for the past 3 years where he is being replaced by Maurice Cote.

GREAT-WEST LIFE has moved to new offices in Windsor. The branch is under the management of D. H. Young.

J. J. PAYNE has been appointed district manager in south-east British Columbia for Monarch Life. Mr. Payne has been associated with the company's Fort William branch for 6 years, having been city manager at Port Arthur since 1934. J. P. ROBERTS has been appointed to succeed Mr. Payne as city manager at Port Arthur.

S. C. HOUSTON has been appointed agency manager for Equitable Life of Canada at London.

J. G. GERRY has been appointed manager of the Ontario Districts agency of North American Life. Headquarters of the agency is at Guelph and comprises the counties of Peel, Waterloo, Wellington and Halton (exclusive of Nelson Township).

HOWARD J. MOORE of Noranda, P.Q. has been appointed district manager for Great-West Life in the Noranda-Rouyn district.

A MUTUAL COMPANY
NORTH AMERICAN LIFE
Solid as the Continent
HEAD OFFICE — Toronto, Canada
ALL PROFITS FOR POLICYHOLDERS

The Independent Order of Foresters
Monthly Income During Disability

Certificate Plan B: Issued by the Society affords outstanding protection. It provides an Old Age Benefit, payable in one sum, for the full amount of the Certificate, on the 60th birthday, or, payment in the event of death.

In addition, the Certificate provides a generous Disability Benefit of Ten Dollars a month, for each $1000 of Protection carried. Payments of such benefit are not a charge against the Certificate when it becomes a claim, either as a result of death or old age.

The Certificate contains the usual automatic non-forfeiture privileges. Double Indemnity may be secured for the payment of a nominal sum.

FRANK E. HAND, *Supreme Chief Ranger.* HEAD OFFICE, TEMPLE BUILDING, TORONTO, CAN.

"Canada's Largest Fire Mutual"
The WAWANESA MUTUAL INSURANCE CO.
Ranks 3rd against all companies on total volume of fire business written in Canada
FIRE WINDSTORM SPRINKLER LEAKAGE AUTOMOBILE LIABILITY DOCTORS' AND DENTISTS' LIABILITY PLATE GLASS
Head Office—WAWANESA, Man.
Eastern Office—341 CHURCH ST., TORONTO, Ont.
Branches also at Vancouver, B.C.; Edmonton, Alta.; Regina, Sask.; Winnipeg, Man.; Montreal, P.Q., and Moncton, N.B.

Nor. American Shows Increase Market Values

Market Surplus Up 80% Since Year End, Says D. E. Kilgour

INVESTMENTS VIEWED

At the end of June, 1936, North American Life showed a surplus in the market value of its assets of $2.2 millions according to figures presented by D. E. Kilgour, general manager at a recent meeting of leading company producers. This was an increase of more than $1 million compared with the corresponding figure at Dec. 31, 1935, or an increase of more than 80%.

At the peak of the depression the company's investments showed a market value deficit of $3.6 millions or 7.8% of total assets, it was shown. Against this deficit the company had investment reserves of $905,000 at that time. Investment reserve at June 30 is shown at $500,000.

Comparative figures given by Mr. Kilgour, follow:

	Total assets	Market surplus or deficit	Invest. reserves
	$	$	$
1925	29,188,010	1,160,705	......
1930	45,221,900	378,046	......
1931	46,855,113	*3,651,606	905,000
1932	47,296,633	*3,270,282	1,100,000
1933	46,758,032	*1,918,734	300,000
1934	48,613,307	703,632	600,000
1935	50,856,223	1,207,971	500,000
1936	June, 1936	2,222,241	500,000

*Deficits.

Back to Market Values

"The company has never taken any credit for the excess of market value over book values. Even during the time when security values were at their lowest, the company was able to provide substantially for the depreciation which had occurred. The values quoted above are actual market values. It is quite true that from 1931 to 1934 the life companies were allowed by the assurance department to use what were known as authorized values (values actually in excess of current market values but presumed more nearly to represent real values) for statement purposes. This temporary and wise expedient was resorted to not only in Canada but in the United States and no doubt prevented what in some cases might have amounted to technical insolvency."

Mortgage Situation

In respect of mortgages, Mr. Kilgour reported that while these meant a large problem in conservation, the amount of the company's investments in Western Canada was relatively small and "we consider we have ample reserve to provide for losses.

"In the State of Michigan where we had and still have a number of mortgages, very material improvement has occurred in the last year. Not only are existing mortgages now being well taken care of but real estate which has been taken into account has been sold at a profit. Elsewhere the mortgage situation has given us comparatively little concern."

Shows Distribution of Funds

Mr. Kilgour also announced for the first time the actual distribution of the company's investments on a geographical basis. The figures for bonds, stocks, mortgages and real estate, but exclusive of policy loans are as follows:

Geographical Distribution— Bonds, Stocks, Mortgages and Real Estate

Maritime provinces	$ 2,756,483
Western provinces	4,584,226
Ontario and Quebec	16,494,870
Dominion	16,180,642
Total Canadian	$40,016,221
United States	1,652,575
Foreign	939,139
Total	$42,607,936

Of equal interest from an investment viewpoint was his analysis of the company's bonds and maturities according to their maturity. Thus he pointed out that 31% of the company's bond portfolio is due within the next 10 years and 61½% within the next 15 years. "As will be seen, the policy of the company is to invest largely in early maturities which will make it possible when the present low interest cycle passes to reinvest our money to better advantage."

The table of bond maturities follows:

Table of Bond Maturities

	Amount	%	% Within whole period
1 year	$ 662,977	2.28	2.28
2- 5 years	2,012,617	6.94	9.22
6-10 years	6,384,908	22.00	31.22
11-15 years	8,802,509	30.34	61.56
16-20 years	3,677,935	12.67	74.23
21-25 years	4,927,444	16.98	91.21
26-30 years	942,966	3.25	94.46
Longer	1,608,000	5.54	100.00
Total	$29,019,356	100.00	

Highway Lanes Accident Cure

Separate tracks for different classes of vehicles are advocated by the London Economist as a means of cutting down traffic accidents.

From a study of the why, where and when of accidents, the Economist concludes that one lesson may clearly be learned. That is, that the great majority of accidents arise out of the meeting of different kinds of traffic. So long as pedestrians keep to the sidewalk they are relatively safe; it is when they cross the thoroughfare that accidents occur. Similarly, it is when cars get mixed up with cycles that costly tangles result.

If this conclusion is correct, the remedy appears to lie in segregation of traffic.

AS AN Employer

—do you pass round the hat when an employee dies?

—do you burden your pay-roll with petty allowances to faithful old-timers who, too old to work, live precariously on your generosity?

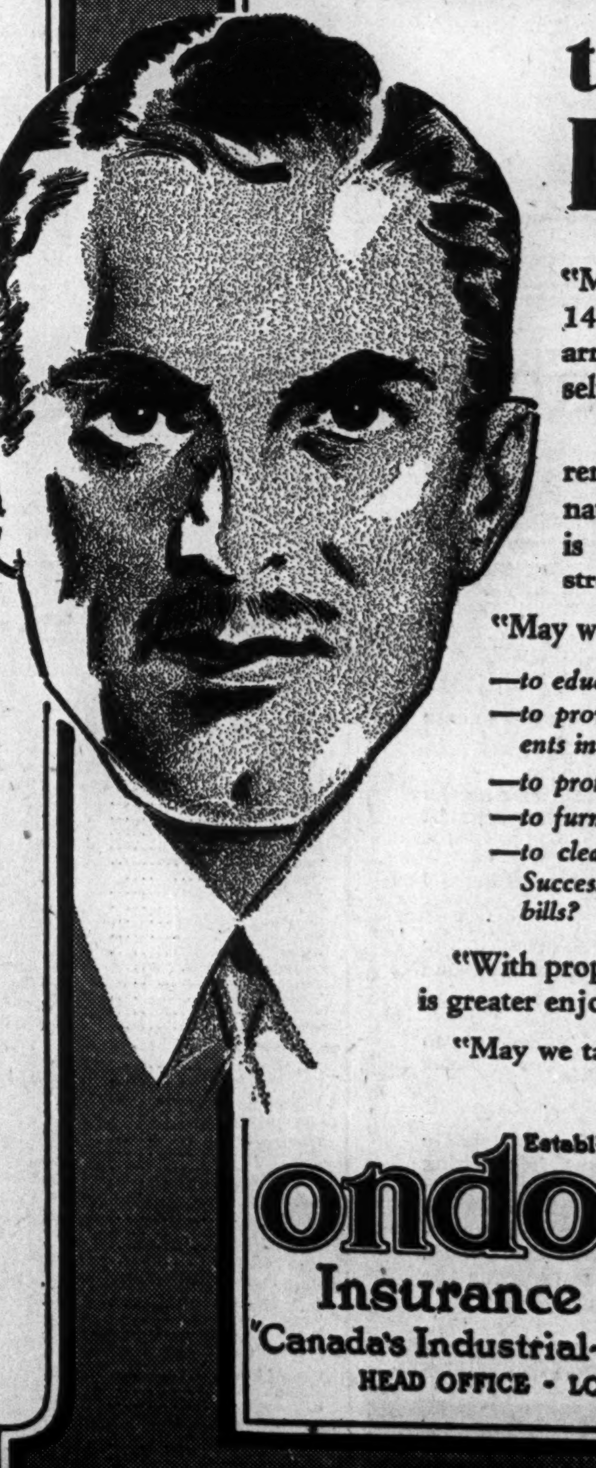
Why not plan for such inevitable contingencies and allow your employees to share with you in a Group Life and Pension scheme of protection ensuring economic security for the day of need?

FREE EXPERT ADVICE is available by application to any Sun Life Branch, or to Head Office. WRITE TO-DAY and let us consider your problem.

SUN LIFE OF CANADA
OFFICES IN ALL IMPORTANT CENTRES

THE DOMINION LIFE ASSURANCE COMPANY
HEAD OFFICE • WATERLOO, ONTARIO
Give your boy or girl a real start in life with a Life Insurance Estate. Details of this Character Building plan are described in our booklet "GOOD COMPANIONS." Write for free copy.
FIRST POLICY ISSUED 1889

THE MONARCH LIFE ASSURANCE COMPANY
Established in 1906
A PROGRESSIVE CANADIAN COMPANY
HEAD OFFICE - WINNIPEG
Splendid Agency Opportunities Available



I have the Solution to your Problem

"My associates and I have helped 145,000 persons in the past year to arrange financial security for themselves and their families.

"We are specially trained to render such service and are fortunate in that our Company's name is a hallmark of integrity and strength.

"May we help you in your plans
—*to educate your children*
—*to provide for your wife or other dependents in case of your prior death*
—*to protect your business interests*
—*to furnish funds upon which to retire*
—*to clean up all debts at death, including Succession Duties, unpaid taxes and other bills?*

"With proper provision for the future there is greater enjoyment of present living.
"May we talk it over with you?"

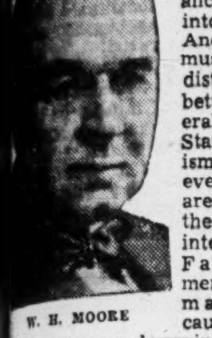
Established 1874
London Life Insurance Company
"Canada's Industrial-Ordinary Company"
HEAD OFFICE • LONDON, CANADA

See Clash of Principles In Trading With Russia

Anticombine Laws Here and Soviet Monopolies Conflict

WOULD EXPOSE LABOR

By WILLIAM H. MOORE


W. H. MOORE

An enquiry into the Russian manner of trading does not permit a close scrutiny of the lines that divide the modern world, like ancient Gaul, into 3 parts. And yet we must keep the distinction between Liberalism and State-Socialism before us even if we are not for the moment interested in Fascism. I mention the matter because as we watch Europeans hurrying on with armament it is easy to forget the divisions are originally and basically economic. Soldiers and sailors are always more spectacular than artisans and merchants.

Three Types of Government

The world's ferment is in reality a revolt against economic Liberalism; the economics of State-Socialism and Fascism are authoritarian, both are collectivist; both proceed by monopolies, as in the days of the Hanse; both are the antithesis of the competitive service of Liberalism.

Trading with the U.S.S.R. is therefore something more than trading with Russians. The U.S.S.R. is not merely another country. Tariff rates sink almost into oblivion because there are no "relative costs" upon which to base them. Deep policy is involved.

We may sell sardines to Mohammedan polygamists without being tinged by the practices of our customers; but we can trade with the U.S.S.R. only by surrendering our economic Liberalism. There is a gulf between us and since the Russians will not cross to our side—in fact, they cannot and remain Socialist—we must go over to their side, if we are to have trade relations.

Combines—Private or Public?

What I have said may not pass without challenge; let me illustrate the matter. As it happens the Canadian Government is just now worried over the lack of competition in the domestic coal trade and is investigating charges of price fixing, etc.

As I recall it, not long ago several merchants were severely fined for the practice. In view of the situation, can the Government itself, in good grace, negotiate with a foreign monopoly for the sale of coal? I am not thinking now of the Russian products that will displace those of the U.K. and the U.S. and of our decreasing dependence upon coal, I am *thinking* of the principle of monopoly-trading.

Can the Canadian Government enter into stipulations with a monopoly (and one several degrees worse than a combine) as to fixing prices and the distribution of customers in the Maritimes or elsewhere—and still preserve a semblance of Liberalism? It may be so; but offhand one would think the Canadian Government could hardly deny Canadian industry the right to practise what it tolerates in foreign industry.

> ## *Can We Trade?*
>
> **In a previous article Mr. Moore, who is a former head of Canada's Tariff Board, came to the conclusion that Russia would not provide any substantial outlet for Canadian products.**
>
> **Now he raises the point of the principles involved.**
>
> **Trade is feasible with a country of a different religion, he points out but in this case it would be with a country of entirely different political thought.**
>
> **How, he asks, can we reconcile anti-combine legislation in this country and exchange goods, possibly competitive goods, with a country of huge state monopolies?**

What of Textiles

With another Commission, the Government is investigating the Canadian textile trade and asking all sorts of pertinent questions as to capital structure and conditions of labor.

Let us first consider the position of labor in regard to the Russian treaty. The U.S.S.R. is not likely to invade the Canadian market with cotton and woollen goods but we may reasonably expect importations of the coarser fabrics.

A true picture of the condition of Russian workers in field and factory should be placed before us. If, for instance, it is true that spinners and weavers derive but a miserable existence by piece-work in Russian factories, then it is obviously idle for our provincial governments to legislate high wages and short hours for textile workers while the Federal Government submits the industries to competition with low-cost labor abroad.

The subject of "forced labor" is as old as sin but in the matter of Russian trade it has a phase which Canadians have neglected although it involves millions of dollars in Canadian labor-income. If we say the matter is merely a herring on the trail of opposition to wider trade, then what shall we say to the Americans of the United States who believe it is of consequence when they buy timber abroad?

Forced Labor

Professor Calvin Hoover (Duke University) expressed the issue very clearly in a memorandum to the Commission of Enquiry into National Policy in International Economic Relations when he said:

"Imports of lumber into the United States in 1929 amounted to about $72,000,000. By 1932, however, they had shrunk to only $14,700,000. The value of lumber imports from the Soviet Union in 1929 amounted to only $819,000, but there were special reasons why imports were so low. Regulations against the use of forced labor in the production of imports assisted in keeping the value of lumber imports down. Imports from Russia have been largely spruce, of which the domestic production in the United States is less than domestic demand. Consequently there is some possibility of the expansion of Soviet sales of spruce in the United States. Such sales would be largely at the expense of Canada."

At Expense of Canada

Professor Hoover then went on to discuss the importation of pulpwood with much the same conclusion, namely, that the Americans of the United States could expand their purchases of pulpwood from the U.S.S.R. if they were content to overlook the matter of forced labor. And again he says: "This would be largely at the expense of our trade with Canada."

Liberalism is tolerant; but tolerance does not require an abnegation of principle; certainly it does not require a participation in anti-Liberalism. When the U.S.S.R. forced Russian farmers, with bayonets, to collectivize their cattle we may be pardoned for having said: "Let the Russians work out their own problems." We may even be forgiven a desire to sell cattle to the U.S.S.R. that found itself short of meat; but when the Communists seized the textile mills of old Russia, and all the other mills, it is hardly reasonable to expect our own mills to suffer their competition and go on meeting capital charges.

When the U.S.S.R. seized the savings of foreigners (including Canadians) invested in the Russian petroleum industry the matter was hardly of exclusive Russian interest. At the time the outside world (and some of the inside) called the transaction "sheer robbery." The protests were softened by the Rapallo Treaty (Germany-Russia 1922) but the nature of the thing was not altered; if it was robbery before the treaty it was robbery after the treaty, and if we are called upon to exchange cattle for petroleum products we are clearly receivers of stolen goods.

Canada Not Invulnerable

These are days for clear thinking. The Liberalism of Canada is not invulnerable. In fact, several of the 9 provinces appear to have lost their balance and one of them has actually toppled over into something that is difficult to describe. The revolt against Liberalism is making headway in Canada (although not necessarily by party organization); already, about one-third of the national income is being distributed by the State in one of its several forms; already, a considerable portion of the population is regimented as to price-income or wage-incomes; and it is balance that counts.

The value of the Russian trade may not amount to much; it is the principle of trading with the U.S.S.R. added to what we have that may tip the scales. And it is not a sufficient answer to assure us that other countries trade with Russia and lose none of their Liberalism; but sufficient because it is not so. Since the coming of the Soviet Union the world is being drained of its Liberalism and if we want to hold on to the Liberalism that in little more than a century carried the better part of an old, old world out of poverty into the prospect of plenty, then we should stop giving Liberalism away.

TRADE WITH GREAT BRITAIN

The ramifications of the Royal Bank of Scotland throughout Great Britain and the entire World enable it to handle every description of British Empire and Foreign Banking business.

Head Office: EDINBURGH

254 Branches in All

LONDON: *Chief City Office:* 3 Bishopsgate, E. C. 2

ROYAL BANK OF SCOTLAND

(Incorporated by Royal Charter, 1727)

Capital (fully paid) .... £ 3,780,192
Reserve Fund .... £ 3,857,143
Deposits .... £ 64,009,174

Associated Bank: Williams Deacon's Bank Ltd.

(Members of the London Bankers' Clearing House)

TOOLE, PEET & CO. LIMITED

FINANCIAL AGENTS

Appraisers and Valuators Estates Managed

CALGARY CANADA

Investors' Chronicle

6d Established 1860 6d

Has the Largest Net Sales of any Weekly Financial Newspaper in Great Britain

OVERSEAS FINANCE

Special Correspondents in all Financial Centres

A free specimen copy will be forwarded on post card application to:

THE PUBLISHER, INVESTORS' CHRONICLE, 20, BISHOPSGATE, LONDON, E.C. 2, ENG.

Canadian Pacific Express Travellers Cheques Are World Currency

Carry them on your next trip and be assured of travel comfort.

Get them from any agent of the Canadian Pacific & most Banks

Brewing Corp. Makes Merger 4 Subsidiaries

Will Concentrate Output in 2 Large Plants With Big Savings

MORE TO FOLLOW

Brewing Corp. of Canada announces 2 mergers embracing 4 subsidiaries as the next step in its policy of concentrating production in large, modern breweries to cut overhead and operating costs. Dominion Brewery and the Cosgrave Export Brewing, both of Toronto, will henceforth be operated as one company to be known as Cosgrave's-Dominion Brewery Co. Another important merger is that of Taylor & Bate, Ltd., St. Catharines, Ont., and Regal Brewing Co., Ltd., Hamilton, Ont., the name Taylor & Bate, Ltd., to continue.

Mergers Move Slowly

Undoubtedly this merger of subsidiaries is intended to precede the concentration in fewer plants of the merged companies. At the time Brewing Corp. of Canada was formed 6 years ago its avowed objective was to induce the majority of Ontario companies to concentrate production in fewer plants and under one holding company. Several steps have been made in that direction, but various competitive situations here and there in the province have prevented action along the drastic lines originally intended. Brewing Corp. has so far tried to achieve its ends by buying in such companies as Welland Brewing Co., Riverside Brewing Co., Budweiser Brewing Co. of Canada and Grant's Spring Brewery Co., Ltd., of Hamilton and then closing down the plants. The business which formerly went to these breweries has been divided among other plants of Brewing Corp. of Canada where possible and some of it has gone to competing plants.

Profitable and Losing Plants

The effort to hold volume has led Brewing Corp. to keep open plants which are losing money. It is well known to insiders that several plants of the company have been earning profits which would have paid the whole dividend of $3 a share on the preferred stock had it not been necessary to deduct losses of other subsidiaries.

O'Keefe's, Ltd., alone has earned more than the consolidated net profits being made in the current year and it did the same thing last year.

Exact output of plants has not been stated in recent annual reports. At the time of the formation of Brewing Corp., it was stated, however, that the plants of the companies now merging had the following capacity.

	Million gallons per annum
Dom. Brewery	2.5
Cosgrave	2.5
Taylor & Bate	1.3
Regal	3.0
Total	9.3

More Profits in 1937

It is a fair deduction that as a result of the merger just announced Cosgrave's-Dominion Brewery Co. will close one of its plants and that Taylor & Bate will operate only one plant. It will take from 3 to 6 months to change over so that by May 1, 1937, in the plants selected, operation at near capacity on all well-known brands can go forward without a hitch. Full benefit to shareholders therefore cannot be expected before the summer season of 1937. But from May 1, 1937, profits will be greater if expectations leading to the merger are realized.

This is considered only the beginning of a series of mergers which will result in closing down many of the breweries now operating in Ontario. The period of competition for volume it is believed has about ended.

Brewing Corp. Profits

Returns of Brewing Corp. for the year ending Oct. 31 next it is understood will certainly be less than the quarterly dividends paid or $1.50 per share. But the company has written off more in depreciation than it has spent on capital account and income taxes have been heavy.

A significant change was noted in the last balance sheet in that it shows "consolidated" figures for Brewing Corp. of Canada and its "wholly-owned" subsidiaries. Its indirect interests are now believed to be important and there may be earnings outside those of fully-owned subsidiaries which may not be revealed in the next statement. That is permissible under the Ontario Companies Act though not permissible under the Dominion law.

Speculative Syndicate Increases $100 to $1,100

Dividend of 60% Brings Payments to 100% of Capital

Started as the "Very Speculative Syndicate," with cash subscriptions of $3,900 in units of $100 each, Canadian Holdings Ltd., Toronto, now reports to shareholders that at Sept. 15, 1936, its net liquid assets are more than $1,100 for each $100 originally invested. A group of Toronto Stock Exchange and mining men formed the original syndicate.

This seems to beat the record of the Company of Adventurers Trading in Forgotten Bonds, a group of Montreal bond men, whose holdings of the very worst bonds in February, 1935, had increased a $10 investment to a liquidating value of $24.22.

$5 Worth Over $55

Besides the $3,900 originally subscribed in cash, one unit of $100 was given for the charter of Canadian Holdings Ltd., lending dignity of title to the original frank confession of speculation. The total capital of $4,000 is now outstanding in the form of 800 shares of $5 each, the liquidating value over $55 each. A dividend of $3 a share has been declared, amounting to 60%. Since 40% was paid in previous dividends, subscribers now have all their money back.

Balance sheet as at March 31, 1936, shows total assets of $29,308, made up largely of listed securities worth $30,765 but carried at $28,775. Against these assets, major liabilities were $15,114 representing bank loan and debit with stock broker, secured by deposit of assets.

Besides capital stock of $4,000, the remaining liability was $10,194 of surplus belonging to shareholders. Balance of surplus at April 1, 1934, was $9,000. From profits of $2,394 in the next 2 years, dividends totalling $1,200 were paid.

Toronto Directors

L. W. Hopkins, of Stratton, Hopkins & Hutson, Toronto Stock Exchange firm, is president of the company. He comments in his report that the venture has had "a very happy experience" and the expenses have been practically nothing.

Other directors are A. M. Ramsay, of Harris, Ramsay & Co.; J. M. Macintosh, a director of MacLeod-Cockshutt Gold Mines; C. T. Ross, office manager, of Stratton, Hopkins & Hutson, and L. K. Fletcher, president of Lebel Oro Gold Mines.

The Very Speculative Syndicate was formed in the depths of the depression with the idea of limiting losses to $100 per subscription of that amount, but with faith in recovery, and exploiting without "expert advice" the investment trust principle of diversification. Some almost fantastic profits were made in gold mining shares, but present holdings include numerous industrial stocks.

Accounts Audited

Canadian Holdings Ltd. is an Ontario incorporation. The 1936 report is signed by George A. Touche & Co., who report the balance sheet is properly drawn up so as to exhibit a true and correct view of the company's affairs, "subject to a possible liability for income taxes."

There are no shares on the open market for public dealings. The experience of the syndicate is interesting chiefly as illustrating the investment possibilities in a period of recovery that have been exploited.

Frigon Drops Job With Power Board

From Our Own Correspondent

MONTREAL.—Dr. Auguste Frigon's appointment as assistant general manager of the Canadian Radio Corp. entails his resignation as chairman of the Quebec Electricity Commission.

While no official announcement has been made, it is understood that Dr. Frigon will retire from the Commission once the new radio body gets under way. Meanwhile the Duplessis Government will not be in a hurry to name his successor. The chairmanship of the commission is an important post and until the field has been carefully surveyed for Frigon's successor, the remaining 2 members of the commission will carry on.

U.S. Advertising Passes Last Year

August Returns Show 10% Increase — Helps Sale of Newsprint

From Our Own Correspondent

MONTREAL.—August newspaper advertising in the United States fell behind July, although it maintained a 10% margin over August, 1935, according to figures compiled by media records from measurements in 52 cities, and published by Editor & Publisher.

Nearly all divisions in newspaper advertising shared in a moderate decline. Department store and financial advertising, on the contrary, recorded an advance.

Some Seasonal Declines

General advertising in August declined more than seasonally, as also did automotive advertising.

The total advertising last month was 99.2 million lines, compared with 89.9 million lines for the same month last year. Display advertising accounted for 76.6 millions, a gain of nearly 6 million lines over last year, while classified advertising at 22.5 million lines compared with 19.2 million lines.

Brown Corp. Plans Better Driving Facilities

From Our Own Correspondent

MONTREAL. — Brown Corporation, owning and operating a large pulp mill at La Tuque has deposited plans with the provincial government for the enlargement and improvement of its timber dam at Lac Rouge; an improvement of the channel of the St. Maurice River by building a rock filled crib at Petit Rocher Rapides about 36 miles above Sanmaur; and for improvement of the channel in the same river by building a rock crib and blasting rock at Chaudiere Rapides about 30 miles above the same town.

Brewers and Distillers Revamp Capital Structure

Brewers & Distillers of Vancouver Ltd. plans a reorganization of capital structure. A special meeting of shareholders will be held in Vancouver on Oct. 26 to consider a by-law authorizing the conversion of 7.5 millions n.p.v. common shares into 750,000 shares of $5 par value.

The Toronto Stock Exchange is informed that the consolidated statement for the half year ended June 30, 1936, shows net profits of $202,892 after deducting the sums of $71,999 for depreciation and $67,200 for income tax reserves. Cash and Dominion Government bonds are shown at $786,215. This compares with a net profit of $129,514 for the first half of 1935.

The net profits of $202,892 reflect earnings of a partially-owned subsidiary, the Hemrich Brewing Co. only so far as dividends have been received therefrom.

Municipal Finances

Calgary, Alta., cash collections from all sources for the first 8 months of the year totalled $3,457,338, an increase of $194,147 compared with the same period of 1935, according to a report by F. S. Buchan, city treasurer. Collections of both current and arrears of taxes increased while sundry revenue declined. Total collections of arrears amounted to $2,631,034 and arrears of city taxes $508,361.

* * *

Summerside, P.E.I., reports an increase of $6,741 in receipts for the first 7 months of 1936, compared with the corresponding period last year. Receipts this year to the end of August amounted to $29,116.

* * *

Ottawa, Ont., city council is being opposed in its application to the Ontario Municipal Board for authority to issue $350,000 of debentures to complete its relief sewer programme. At the public hearing in Ottawa the application was opposed by the Board of Trade and a number of citizens on the grounds that it should first be submitted to ratepayers.

* * *

Stratford, Ont., will have to reduce expenditures during the remainder of the year if it is to keep within its budget, according to Ald. C. E. Moore, chairman of the finance committee. The report of the city treasurer at the end of August shows most accounts to be overspent.

Despite the greatly reduced relief costs the appropriation is overdrawn by $7,515 on ordinary costs and $1,524 on administration costs. This is partly due to the fact that at the beginning of the year the city budgeted low on these costs. The net cost of relief to the city, excluding administration costs, was $37,515 to the end of August.

* * *

Windsor, Ont., city council has been checkmated in its attempt to block the special tax levy for relief purposes which was ordered by the Department of Municipal Affairs. Recently the council decided to seek an injunction against collection of the levy, but the Department of Municipal Affairs has notified the council that it will not approve any injunction proceedings. Since the city is still under supervision, any action of the council can be vetoed by the department.

* * *

Winnipeg, Man., reports a drop of $46,283 in the city's share of unemployment relief to Sept. 5. The city's share to Sept. 5, 1936, amounted to $2,485,851, compared with $2,532,134 in the same period last year. The number of families on relief is 397 less than a year ago, totalling 5,071 families.

* * *

Prince Albert, Sask., revenue continues to show improvement. Receipts from taxes, water accounts, and licenses to the end of August were over $10,000 higher than in the same period of 1935, amounting to $235,742. Compared with the same period of 1933 this is an increase of almost 50%.

* * *

London, Ont., expects that when the city auditor's report on the London & Port Stanley Railway for 1935 is completed, it will show an operating loss of close to $30,000 instead of a profit of $10,000 shown in the former London Railway Commission's report. Many items properly chargeable to 1935 were carried into 1936, according to the report.

* * *

Edmonton, Alta., reports a profit of $177,409 from the operation of its power plant during the first 8 months of 1936. This is $8,051 greater than in the same period of 1935. The water department also showed a surplus, reporting a profit of $277,943 as against $253,395 in the first 8 months of 1935.

* * *

Windsor, Ont., with over 70% of the 1936 tax levy collected, reports that tax collections are well ahead of the same period last year. Up to Sept. 10, tax receipts totalled $3,574,833. Of the current levy of $3,869,075 the city collected $2,733,969 up to Sept. 1. Collections to the same date in 1935 on the current levy totalled $2,404,786, or 61% of a total levy of $3,933,116. Tax arrears totalling $4,283,666 were reduced by $803,837 during the first 8 months. During the same period last year a tax arrears of $4,890,358 was reduced by $923,892.

Salmon Pack Larger, Richer

Sockeye Makes Up One-Third of Total B. C. Pack

From Our Own Correspondent

VANCOUVER.—One of the reasons why British Columbia's salmon pack will be a richer one than usual this season is that about one-third is made up of the readily marketable and higher priced sockeye. The sockeye pack to September 12 was 407,980 cases, nearly 60,000 cases better than the 1935 pack.

Total pack this year is 1,351,499 cases, and approximately 580,000 cases consist of the choicer grades of sockeye, spring salmon and cohoe. Taking in blueback and steelheads, the choice grades account for about half the total pack. The cheaper grades of chums and pinks make up the balance. The pink pack this year is the highest in 5 seasons, and the chum pack, so far, is the highest in 4.

Dosco Secures Order For 23,000 Tons of Rails

From Our Own Correspondent

MONTREAL. — Union of South Africa has placed an order for 23,000 tons of rail with the Sydney Steel plant of Dominion Steel and Coal Corp., according to an announcement made by H. J. Kelly, vice-president and general manager. Work on the order, which will provide employment for the rail men until Christmas, starts immediately.

Tamblyn Ltd. Will Pay 80c On New Stock

Subscription Rights Offered to Holders of Old Preferred

FOUR ALTERNATIVES

Subscription rights to the new 5% preference stock and new common shares of G. Tamblyn Ltd., Ontario drug store chain, have been offered to holders of the company's present 7% preference stock.

Issue of $300,000 of new preferred shares to redeem the outstanding 7% stock on Nov. 1 and splitting the common stock on the basis of 4 for one was approved by shareholders at a meeting on Sept. 29. This will make a total of 6,000 preferred shares, of $50 each, and 112,000 common shares outstanding.

Dividend Planned

Offering of the stock is being made by Cochran, Murray & Co., and Stewart Scully Co., Toronto investment firms, which have underwritten the new preference stock and purchased a majority of the company's common shares from the Tamblyn estate and the Ottewell Co., New York. The new 5% preference shares, are being offered at $52 a share to yield 4.8% and the new common stock at $16 a share.

The letter sent to preferred shareholders discloses that as a feature of the refinancing plan it is proposed to place the common shares on an annual dividend basis of 80 cents a share. The dividend is to be payable quarterly, the first installment of 20 cents a share to be paid Jan. 1, 1937. At the offering price of $16 a share the new common shares, based on the proposed dividend, will yield 5%.

Four Alternatives

Under the terms of the offering to holders of the company's 7% preference stock 4 alternatives are given. These are as follows:

(1) One $50 share of new 5% preference stock at $52 and 3 new common shares at $16 each, plus $10.60 in cash for each 7% preference share now held.

(2) Six shares of new common stock at $16 a share and $14.60 in cash for each 7% preference share held.

(3) One $50 share of new 5% preference stock and $58.60 in cash for each 7% preference share held.

(4) As an alternative, not involving the exchange of shares, the underwriters are willing to purchase 7% preference shares at $110.60 in cash, which is the equivalent to the redemption price of $110 plus accrued dividend to Nov. 1.

Earnings Calculation

The Financial Post calculates earnings for the past 5 years, on the basis of the new capitalization, as follows:

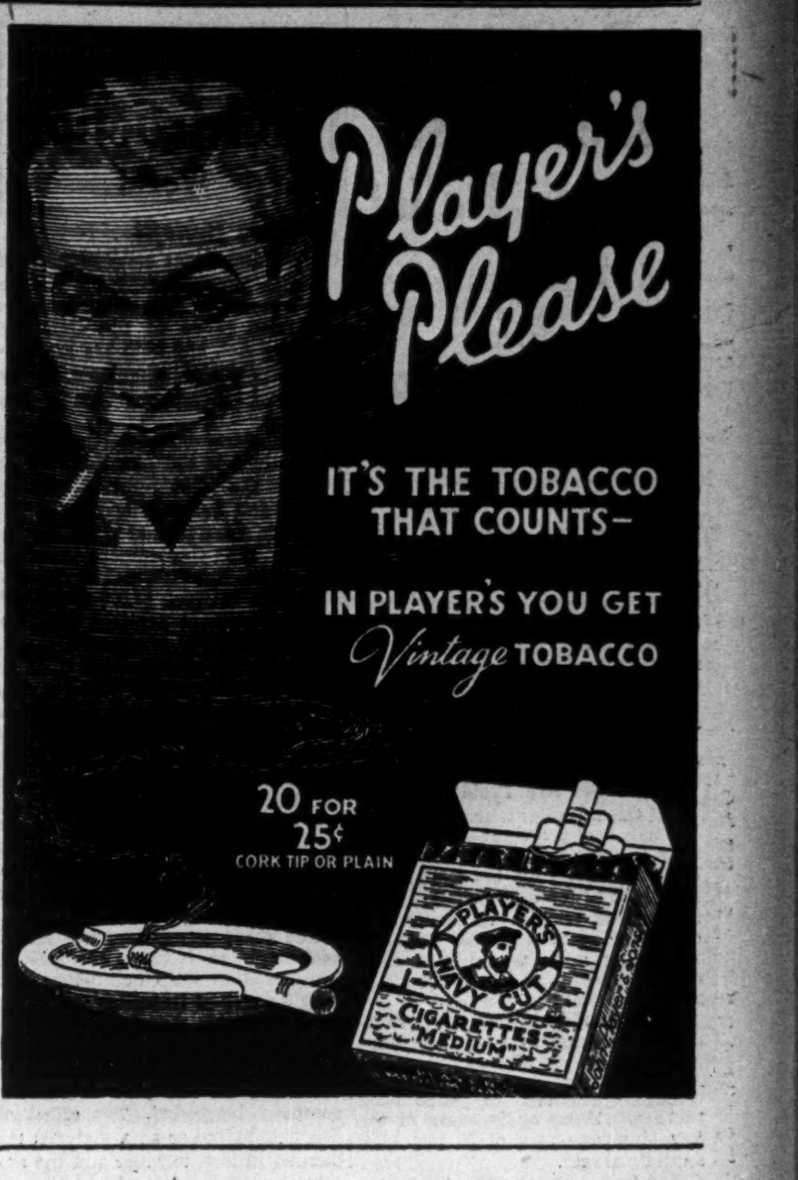
Per Share Earnings Years Ended Dec. 31

	1935 $	1934 $	1933 $	1932 $	1931 $
Preferred..	20.68	16.72	18.68	22.99	30.47
Common ..	0.97	0.76	0.87	1.10	1.50

Canada Cement Co. Refunding Savings Small

From Our Own Correspondent

MONTREAL. — Preferred and common shareholders of Canada Cement Co. approved a special by-law authorizing the directors to issue new bonds to replace the present 5½% bonds due 1947. In reply to a question from a shareholder, J. D. Johnston, president, said that any savings on the refunding operation would depend upon the course of exchange over the next 10 years. The new bonds are payable in Canadian funds only, comparable to the three-way pay on the old issue.



1866 1936

BRITISH AMERICAN BANK NOTE COMPANY LIMITED

THE OLD CANADIAN COMPANY

Specializing in the Production of Bonds and Debentures for Governments and Municipalities

HOWARD W. PILLOW, President

CHARLES G. COWAN, Vice-Pres. & Man. Dir.

G. HAROLD BURLAND, Sec.-Treas.

HEAD OFFICE : OTTAWA

262 Wellington Street

511 Place d'Armes MONTREAL

1110 Bank of Hamilton Bldg. TORONTO

The WESTERN SAVINGS and LOAN ASSOCIATION

HEAD OFFICE: WINNIPEG, MANITOBA

AGENCIES

EQUITABLE LTD., Calgary, Alberta
BUTLER BYERS BROS. LTD., Saskatoon, Sask.
McCALLUM-HILL AND COMPANY, LIMITED, Regina, Sask.
J. K. RINGLAND & COMPANY, LIMITED, Herald Building, Lethbridge

NOW ON THE PRESS!

Over 275 Pages Size 12" x 9" Price Per Copy $2

Ready for Delivery about October 10th

To everyone interested in the Mines and the Mining Industry of Canada and Newfoundland, this new, eleventh annual edition of The Financial Post SURVEY OF MINES, 1936-7, is indispensable.

Long established and widely recognized as the only standard analysis available in permanent form—Provides authentic, complete and up-to-date information.

THIS NEW BOOK WILL TELL YOU:

Where the mines are located
Who own them
Who operate them
Their financial structure
Development results
History of operation
Record of production
Price range of stock
Dividend records
Maps of areas and properties
Facts and figures about the Canadian Mining Industry.

Delivery of your copy is guaranteed if you order NOW. Fill in and mail the coupon TODAY.

THE FINANCIAL POST,
481 University Avenue,
Toronto, Canada.

Date..................1936

Send me postpaid immediately upon publication .... copies of The Financial Post SURVEY OF MINES, 1936-7.

Herewith $............ in payment.

Name ....

Address ....

.... 715

N. B. Cities Face Crisis Over Relief

Credit Impairment Feared With End of Provincial Payments

MANY UNEMPLOYED

From Our Own Correspondent

SAINT JOHN, N.B.—"Work and wages instead of dole and despair."

Campaign promise in the 1935 election which swept Hon. A. A. Dysart and his Liberal followers into power in New Brunswick, Mr. Dysart's determination to get rid of direct relief early this year, assumed the aspect of a threat rather than a promise.

There were still thousands on relief, still a major unemployment problem, particularly in urban centres and hard-hit lumbering counties.

Government relief contributions ceased on Sept. 1.

Cities Are Problem

But this step was taken in the face of 3 unsolved problems—Saint John, New Brunswick's largest city, with 7,000 on relief rolls (as many as at the depth of the depression); Moncton, second largest city, with 1,400 on relief rolls, and the northern lumbering area, where mill after mill has been closed in the last few years.

In the lumbering area the government attempted to meet conditions by stepping up highway projects. At the same time to stimulate woods operations it announced there would be no increase in the low stumpage rate of $2 per 1,000 superficial feet.

Highway improvement works were also increased in the vicinity of Moncton.

The government agreed to employ on work projects in the Saint John district at least 400 men if the city would employ a like number on undertakings of its own. These have been started. A special bond issue of $150,000 will be sold by the city to cover costs of its programme.

As a general measure in its attack on unemployment the government has appointed a commissioner to survey local industries with the idea of stimulating existing enterprises and encouraging new ones.

Moncton Continues

Moncton has declared that whether the government contributes or not relief will have to be continued in Moncton. It is being continued, by that city.

The city and county of Saint John's municipal council has decided relief will have to be given to families of those not absorbed by works projects. It is not called relief, but "outdoor assistance under the Poor Law." And it has to be financed by the municipality alone.

"Impossible" Says Saint John

"It will be financially possible for us to continue to carry this load ourselves for only a limited time," W. A. Ross, municipal secretary, cautioned recently. He pointed out that direct relief bills in the city and county of Saint John had amounted to about $30,000 a month.

Seventy-five per cent of this cost was borne by Dominion and province, leaving the municipality's share at $7,500 a month. He estimated that "outdoor help under the Poor Law" to half the families who had been on relief would cost $15,000 a month—twice what the municipality had paid under the triparty relief scheme.

A similar situation prevails in Moncton. Not all the jobless by any means have been absorbed in the lumbering counties which—some of them in none too healthy financial shape—find themselves confronted with serious difficulties. They can't let people starve, but they don't know where the money is coming from.

If the provincial government continues its stand there will be no more relief contributions. Saint John will make an appeal direct to Ottawa. Premier Dysart has been notified of this intention.

Municipalities where the unemployment problem is most acute fear that an added drain on their resources, contingent upon the withdrawal of government relief grants, may impair their financial standing.

In Saint John there is also concern about the capital expenditure of $150,000 to which the city is now committed for relief works. This will be used up within the next 2 months.

Saint John winces at statements that New Brunswick has "gone off the dole." So do Moncton and the lumbering counties.

New Brunswick is "off the dole" so far as the provincial government is concerned. But in centres where the jobless problem is most acute relief is still being given—and it is costing these municipalities more than ever.

New Industries

The Toronto Industrial Commission reports that:

Standard Ultramarine Co. of Can., Ltd., newly incorporated Canadian subsidiary of parent company in West Virginia, has purchased a site on St. Helen's Ave. where a factory will be erected for the manufacture of special dyes and colors for use in the printing ink trade.

Canadian Werner G. Smith Co., Ltd., manufacturers of industrial oils, has acquired additional buildings and land which comprised the former Galena Signal Oil plant at Campbell and Royce Avenues.

Toronto Macaroni Co., 2738 Dundas St. W., has purchased the former Nordheimer Piano Co.'s plant on Weston Road.

Jenny Lind Candy Shops Ltd., will add a further extension to the manufacturing plant on Lansdowne Ave.

Ray-Knit Mfg. Co., Ltd., producer of cotton knit goods, has leased 16,000 sq. ft. of floor space in the Otto Higel Bldg., King and Bathurst Sts.

Nestle-Le Mur Co. (Can.) Ltd., manufacturer of permanent waving machines and accessories, has leased 5,600 sq. ft. in the Otto Higel Bldg.

Ideal Power Productions, manufacturer of a new process of rubber, is at present constructing a plant in Ottawa, to be completed toward the end of October. (Ottawa Evening Journal.)

In The Construction World

Lenders Benefit

TWO important concessions have been announced by the Federal Government in connection with the expanded scope of the Dominion Housing Act, and both are likely to prove powerful stimulants to the flow of investment funds into housing.

Particularly beneficial to lending institutions is the new formula by which the Government assumes larger and varying degrees of the loss risk. On a loan of $3,000, for example, the Government assumes 80% of the loss risk, and in the case of a loan between $3,000 and $3,500 the Government assumes 75%; between $3,500 and $4,000, 70%.

The former arrangement was that if at the time a loss occurred, the amount owing on the mortgage was more than the amount of the sum advanced by the lending institution, the Government bore two thirds of the loss and the lending institution one third. If the amount of the loss was less than the sum advanced, the Government bore one third of the loss and the lending institution two thirds.

The other concession, of decided advantage to lending institutions, provides that the Government will bear a share of travelling and other expenses, as an administration charge, in cases where loans made in sparsely settled areas necessitate travelling on the part of lending company inspectors. The effect of this is expected to be a material reduction in loan expense and the application of the new legislation to sections of the country where it has hitherto been impossible to make loans on an economically sound basis.

* * *

Cash Repairs

HOME modernization on the new time-payment basis is estimated at a potential figure far up in the millions.

No estimate is possible, however, of the amount of this business which will come under the classification of cash transactions, because 2 unknown and highly variable factors enter into the situation affecting cash expenditures for the purpose.

One is the amount of money held in reserve by cautious home-owners against the day when essential repairs rather than improvements might have to be made.

The second, is the human trait of keeping up with the Joneses. To consider the second factor first, it is highly unlikely that in neighborhoods undergoing a general "sprucing up," the worn and obsolete dwelling standing conspicuously shabby in the midst of a clean, modernized row of houses, will remain in that condition if the owner can help it. For practical purposes of sale or rental, such homes must either be modernized or demolished.

A part of such "forced" modernization will be paid for in cash by landlords who have no need to take advantage of the time-payment basis.

The other factor in cash home modernization business is illustrated by the case of a plumber who recently installed new equipment in a home on a time-payment basis. Additional installations were recommended on "time" when the plumber saw they were required, and adjusted his price to cover the whole job.

The owner agreed. He was highly pleased at the result, and to the surprise of the plumber he paid immediately in cash. It was not an isolated case, trade reports indicate, but demonstrated that people have money to spend on homes once the advantages of modern equipment are visibly made known to them.

* * *

Loan Test-Tube

LONDON, Ont., may remodel or discard its municipal home repair-loan system as a result of the new Dominion rehousing and modernization scheme.

Not because it is inferior to the Dominion plan, but because city authorities have discovered the plans to be almost identical. London, indeed, proves to have been unwittingly the "test tube" in which the new Dominion scheme has operated in miniature since last autumn.

Basis of the London plan was approval by the city council of loans up to a certain margin of the assessment, where encumbrances against the property were not excessive. About 70 loans were made under the plan, averaging around $200, but ranging from $25 to as high as $1,000 or more. Carried as a charge against the land and buildings, loans have been repaid with regular tax installments. Interest is charged at 5%.

The Dominion scheme to guarantee losses up to 15% on loans made by lending institutions offers a new possibility that London has not overlooked. Believing that the existing municipal plan is more advantageous from the property-owner's standpoint, compared with the Dominion plan, London may seek to combine the best features of each by requesting a similar guarantee for its own loans. The amount might not be 15%, but failing some such arrangement, the London "test-tube" loan plan may be discarded and the business turned over to lending institutions enjoying the Dominion guarantee against loss.

* * *

Up or Down?

OPTIMISTS in the building industry who predicted a large scale revival of construction activity for Canada in 1936 have been disappointed.

More moderate opinion, based on the long-term record and prospects of the industry was that 1936 would bring further improvement but not the long hoped-for revival to levels of activity existing prior to 1929.

Building permits compiled in 58 Canadian centres provide a reasonably accurate gauge of the trend this year. In the first 8 months, ended August, permits issued totalled $25.8 millions, against $33.3 millions in the corresponding period of 1935.

But the comparison is highly misleading as an index of the medium or long-term construction trend, for the 1936 total is considerably higher than either the $17.4 millions reported for the 8-months period of 1934 or the total of $14.4 for the same period of 1933. In 1932, last year in which the industry experienced even reasonably active conditions, the total for the 8-months period was $32.5 millions. Over a period of 5 years, therefore, the 1936 figures are distinctly encouraging, the more so because of efforts this year by federal authorities, the National Employment Commission and other agencies to lend new impetus to the revival.

As the Bank of Nova Scotia notes in a current survey of the Canadian construction outlook, the industry may not soon experience the volume of new business which arose from the vast expansion of Canada's rural and industrial centres from 1900 to 1930, but the present gradual recovery, geared to modern needs, is based on requirements for new residential, mining, electric power, business and industrial construction coupled with a substantial backlog of new homes, modernization and repair work.

A new "normal" is likely to emerge from the present trend of construction. It may not reach the pre-1929 annual peaks but it is likely to be above the 1936 figures.

Claim Engineers Can Solve Problem of Low Cost House

Architects' Designs Impractical to Fit Into $2,500 Picture

LOW UPKEEP VITAL

BY GORDON L. SMITH

Is a $2,500 home possible in Canada?

For over a year, governments, housing commissions, even buyers have been searching for such a dwelling. Practical building companies say that it can be done.

What is wanted, of course, is not a mere country cottage, but a modern house, with 6 rooms on an average priced lot. In large centres where land values are high $3,000 would be the limit while out in the small cities, towns and villages where the acre is still considered a unit of measurement the home sought must be built for close to $2,000. Accommodation for workers in the low income group is wanted or something that investors can offer to tenants at $25 per month.

Possible But Where

Dominion Housing Act officials have intimated that such houses, are possible but records so far reveal practically no loans for residences that could even be remotely considered in the $2,500 class. Architects in recent competitions have said that it could be done and to prove it have offered attractive designs on paper. When, however, these have been handed to a building contractor his tender has almost inevitably been from $1,000 to $1,500 too high.

Call in Engineers

Solution of the problem, in the opinion of many of the building materials companies lies with an engineer rather than an architect. It is comparable they say to the production of a low cost car. Styling is not of first importance here, but low cost and maintenance. Something practical is wanted. Such, it is argued has not come from the architect whose whole training has been in the elaborate home class. Too often his plans call for expensive and not necessarily vital points that might be compared to motor car gadgets while structural design, insulation, and low maintenance is overlooked.

Ontario Government Houses

As proof, the present houses now being sponsored by the Ontario Government following an architectural competition are cited. These were originally planned as low cost homes suitable for workingmen. Plans as worked out so far are criticised on the ground of both original and maintenance expense.

One such house on the outskirts of Toronto was planned to cost about $3,500 including lot. Lowest tender on the building alone in the first bidding was understood to have been $4,200. Plans were slashed and revised tenders have been asked. But costs will still be too high, companies interested in house construction declare, and this in spite of specifications, it is said, with which a reputable builder would have nothing to do.

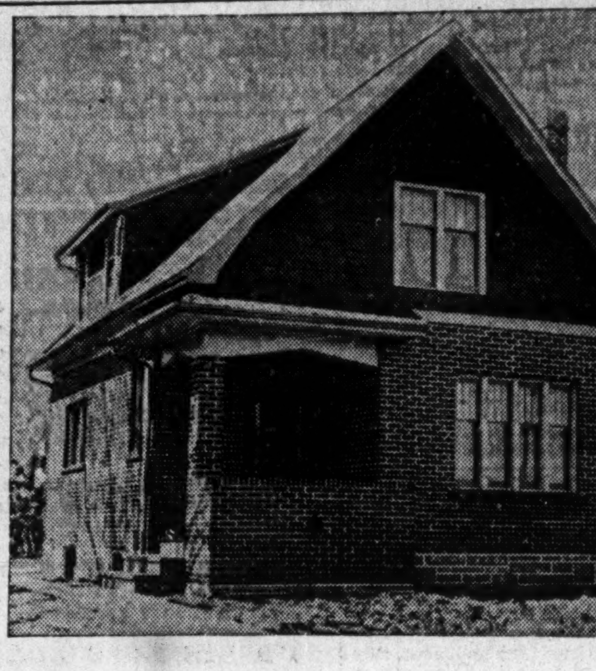
Critical of Roofs

The flat roof on most of these Ontario sponsored houses is criticised on the ground of future upkeep and the loss of usable attic space necessary for the storing of screens, storm windows, winter bedding and such things. Until more generally accepted, too, it is claimed the saleable value of a flat dwelling in Canada is uncertain.

Ceiling height of 7 feet 6 inches is sharply condemned as are also door heights, lack of doors on clothes closets, kitchens at the front of the house, and the small size of all rooms. Painting over low quality brick as called for in some of the houses is said to be wasteful both in original and upkeep cost. An attractive stock brick, making painting unnecessary, could be used at no more expense, it is stated.

Structural Defects

More serious accusations are levelled against the exterior wall construction. This, as planned in the case of stucco provides no waterproof protection. There are no proper safeguards against cracking or even disintegration and as a result heavy upkeep bills are deemed certain. Moreover houses planned with this stucco construction, it is said, are not properly insulated and the old system of large air space in the walls, discarded by most insulation engineers, is included. In fact the construction as planned is considered so faulty that some building authorities look on the experiment as a good thing because it will demonstrate a great many practices which should not be followed.



A $2,500 HOUSE

	Material and Labor
EXCAVATION — Basement under entire building	$ 42.50
CONCRETE — Septic tank, cesspool, sidewalks, basement walls and floor. Foundation walls plastered above grade	118.60
BRICKWORK — Red rug brick veneer. Chimney and mantel	278.93
CARPENTRY — Lumber; double-hung sash; white pine trim; single panel chestnut doors. No. 1 and 2 plain oak hardwood throughout laid on T. and G. sub-floor. Chestnut stairway. Storm sash for lower floor windows. Asphalt shingles, waterproofing, hardware and nails	872.00
INSULATION — Gypsum insulation between external wall studs, lower portions of 2 x 4 rafters and 3" over flat ceiling of second floor. 450 cubic feet	112.50
LATHING AND PLASTERING — Gypsum lath, plaster, etc.	217.50
ELECTRIC WORK — Wired for stove; ceiling outlets and base plugs in every room. By contract	55.00
PLUMBING — 3-piece bathroom fixtures including square type built in bath tub. Kitchen sink; laundry tubs in basement. Water service and drains to septic tank and cesspool. By contract	200.00
HEATING — Warm air furnace. Separate supply to each room. Three return air ducts from ground floor. By contract	125.00
PAINTING — Interior trim and other woodwork. Exterior woodwork. By contract	100.00
SHEET METAL — Eavestroughs, downspouts, etc.	17.00
INSURANCE — Fire. $2,500.00 for 3 years	15.90
	$2,154.93
Allowance for contractor's overhead and supervision 15%	323.24
	$2,478.17

What Might be done

As an indication of what might be done the type of house pictured on this page is mentioned. This was designed by an engineer who had 2 main objects in mind:

First—low original cost.
Second—low upkeep.

That the first point is possible is demonstrated by the actual cost of building, under $2,500. Built in any quantity it is said it could be erected in the average town in central Canada for $2,500 including a $150 lot. On land costing up to $10 per foot it could be reproduced for less than $3,000. Even in the Maritimes and the Western Provinces construction authorities claim that not more than 5 to 10% would have to be added. Exterior measurements are 27 feet 6 inches by 24 feet. There are 6 rooms.

Well Planned

Rooms are a good size in keeping with the 13-6 x 15 feet living room. It is well planned and there is no foolish skimping in doors, trim or hardwood floors. Most of the sloping ceiling space on the second floor is used for closet space. Good quality but moderate cost plumbing is provided. Though stock size sash, doors, etc., utilized so that cost is kept down, the plan lends itself to easy rearrangement when 2 or more houses are to be erected together. Outside construction is of brick veneer but could be of stucco. It is insulated, and so well that only 3½ tons of hard coal were needed to heat it last winter in an Ontario town that is not in the peach belt.

Exterior Walls

Where stucco is planned 3 separate coats with proper maturing for each is planned. Working inward, next to this is metal lathing carrying the stucco and nailed right into the centre wooden uprights.

From this point on both stucco and brick construction is identical. Next to either material is a layer of good grade roofing paper with all joints cemented. Then sheathing either of wood or fireproof wallboard. This is fastened to the 2 x 3 wooden uprights which are placed 16 inches apart.

Space between these uprights is completely filled with insulating material and then comes another layer of plaster board or lath and regular plaster. Such makes a solid wall structurally but also one that is claimed practically fire proof. It would not be permitted under building regulations similar to those in vogue in Toronto, it is admitted, but construction and building materials companies maintain that such regulations are out of date.

When stucco is used it is carried right to the roof, but with brick veneer usually asphalt shingles are used from the first story up. Ceilings on the second floor are fully insulated.

Make Improvements

In plans drawn up following the erection of this house, greater use has been made of space at present wasted in the bathroom, a side door replaces the one at the back in the kitchen giving more wall space in the latter and the dormer window has been eliminated by adding slightly to the height of the exterior walls. This also adds to the effective length of the bedrooms. An enclosed entrance vestibule has also been added.

Houses of this description, plain but solid, low in operating and upkeep costs are the engineers' answer to the government challenge to produce something for $2,500, something that can be bought and paid for in 20 years for not more than $35 per month and can be rented at a profit to the owner for $25 per month.

Steel of Canada Sales Up This Year

From Our Own Correspondent

MONTREAL. — While current sales lack the impetus of government construction and the car building programme of a year ago, sales of Steel Co. of Canada so far this year were ahead of the previous year and earnings registered a similar increase according to Ross H. McMaster, president of the company.

Some of the open-hearth furnaces, he continued, have reached the end of their usefulness and in view of the low return available from employment of cash assets, the board of directors have decided to build a new 150-ton open-hearth furnace, replacing some of the older units.

E. B. Eddy Plans Call For 2 Sulphite Digesters

From Our Own Correspondent

MONTREAL.—Work to be undertaken by the E. B. Eddy Co., Hull, P.Q., this fall will consist of the installation of 2 sulphite digesters at a cost of between $200,000 and $250,000.

In recent years this company has carried out the following work of plant improvement; filtration plant in 1931, costing approximately $500,000; paper machine improvement, $1.3 million; new blow pit and buildings, 1934-35, $150,000; new wood preparing room, together with necessary equipment, 1934, $100,000; and a chemi-pulp system, 1934-35, $125,000.

Canada's Building Trend Geared To Modern Needs

Substantial expansion of Canadian construction activity over current levels, but geared to modern requirements and probably on a smaller scale than between 1897 and 1929, is seen as the result of a searching analysis of the Canadian construction field made by the Bank of Nova Scotia.

Granted that business conditions show further improvement in Canada, or are at least well maintained, in what fields can we expect substantial recovery in construction? the bank asks. It poses the further question of whether the building trades in Canada will engage as large a proportion of the nation's energies as they did in the first 30 years of the twentieth century?

Probing current conditions, the bank discovered that continued expansion in construction is likely to be noticeable chiefly in residential, industrial, mining, electric power, and certain commercial fields. As to its aggregate effect, the industry is likely to contribute a smaller share of the national income than it did in the years of rapid development prior to 1930.

Heavy Backlog

Background of the building outlook lies in the situation uncovered by the Bank of Nova Scotia in February, 1935, when a survey revealed that on the basis of average residential building volume during the 11 years 1921 to 1931, a backlog of unbuilt building had accumulated at the end of 1934 amounting to about $200 millions.

The influence of this factor is important, for the low level of building in 1935 and this year suggests strongly that the backlog is substantially larger. Such a calculation assumes that the volume of building between 1921 and 1931 was normal and that the same normal can be used as a standard for the future.

What is "Normal?"

But the assumption of "normal" may or may not be correct.

In this connection, the bank survey establishes that Canadians are less adequately housed than in the late '20's; that many houses are in urgent need of repair, and that few dwellings are up to date by accepted modernization standards. With continued business improvement much more residential building is expected to compensate for the deficiencies of the depression period and to provide for normal growth and replacement needs.

Industrial Building

Industry also offers a fair but more limited prospect for new construction.

Capital equipment of some manufacturing industries has become partly obsolete and that in certain instances substantial repairs and improvements are necessary. The value of industrial construction during the past 12 months was only $14 millions—less than 40% of the average during the period, 1921 to 1931. It has risen from a low level of a little less than $8 millions in 1932.

The only type of building really active during the past 3 years is that associated with metal mining. Provided that governments and central banks remain anxious to accumulate vast stocks of gold, and that the demand for base metals is maintained, continued activity may be anticipated in this category.

Electric Power Projects

New electric power is being developed in conjunction with mining. Electric power has made possible the growth of many important industries and has tended to supplant other forms of power. The trend toward its greater use may be expected to continue and may involve a considerable volume of new construction.

There is also a fair prospect of more building of a commercial nature—of stores, theatres, garages, etc. For the last 50 years, a notable tendency toward expansion in the relative importance of industries which provide services has been apparent. There is no reason to believe that this upward trend will soon be arrested, although the rate of growth may perhaps be retarded.

Expansion Needs are Met

This is the favorable side of the picture. But with the exception of the War, the first 30 years of the present century were the most active in Canadian history. The period was characterized by the rolling back of the frontier, by exploitation on a vast scale of virgin natural resources. Newly opened prairies were settled and developed.

A Smaller Sphere

Today, the western frontier is gone. The world-wide growth of economic nationalism, recently heightened by accentuated fears and suspicions, has curtailed the markets for primary products. Immigration has ceased. And while there is a new frontier, that of mining, its significance for construction is much less than was that of wheat.

Adjustment to a more mature condition, combined with a more diversified industrial growth is likely to be the keynote of coming years.

MURRAY Protective Coatings for all surfaces

FIBREGUM

Stops Leaks and Saves Dollars

Cracked roofing, crumbling mortar joints, leaky skylights and flashing —all may be quickly and effectively waterproofed with Murray-Made Fibregum — the all-purpose, asbestos-fibre plastic cement. A drum of Fibregum in stock, ready for emergencies, is an excellent investment in roof conservation.

Alexander MURRAY & Company LIMITED

MONTREAL, TORONTO, HALIFAX, SAINT JOHN, WINNIPEG, VANCOUVER
Affiliated with Dominion Tar & Chemical Co. Limited
Canada Creosoting Co. Limited — Fibre Conduits, Canada, Limited

NEW Canadian BUTT JOINT

Canadian WOOD PIPE

WIRE-WOUND PIPE—Fitted with double steel or wood coupling, wire-wound or banded. Supplied in up to 24" diameter.
CONTINUOUS WOOD STAVE — Supplied in up to 24' diameter.
Interlocking Butt Joint leak-proof, frost-proof, and without metal to rust or corrode.

Canadian Wood Pipe & Tanks Limited
550 Pacific Street Vancouver, B.C.
30 YEARS IN BUSINESS

QUALITY GOODS demand a QUALITY SETTING- Modernize your SHOWROOMS

WHETHER your business is furs or plumbing fixtures, automobiles or oil paintings, a quality setting will step up sales. Modernize your showrooms. Start with the floor. Install Dominion Battleship Linoleum — the permanent, noise-reducing, easier-to-clean floor of lasting beauty, available in 19 different colours and effects. Crests and trademarks — almost any design you desire can be reproduced in this floor with amazing fidelity.

Start today! Consult your linoleum contractor or the contract department of any good housefurnishings store . . . or write us for bulletins . . . full details.

DOMINION OILCLOTH AND DOMINION BATTLESHIP LINOLEUM LINOLEUM COMPANY LIMITED, MONTREAL

THE FINANCIAL POST

SECOND SECTION

Vol. XXX | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, OCTOBER 3, 1936 | 10c a Copy; $5.00 a Year | No. 40

Canadian Textile Companies Face Tariff Uncertainty

Production is Expanding But Investors Uneasy Pending Future Trade Policy and Present Federal Investigation

By WELLINGTON JEFFERS

Securities of textile companies have not joined the upward trend of the stock market.

Yet production has expanded and recent annual reports have shown main companies in a good financial position and facing adequately the manifold problems which they must meet in every year whether general business conditions are active or not.

Investors are more concerned with the future than the immediate present. Do they fear present activity is temporary and, if not, why did not the trend of values shown on the accompanying chart go up with the general trend of stock values?

Uneasiness

First of all, there has been undoubtedly a weaker sense of security since the present federal government attained power. The Bennett scale of duties allowed the textile industries to flourish and to expand during the depression. Imports from Great Britain dwindled and this was attributed more to the dumping duties applied when the exchange value of the pound was low than to the regular tariff.

The Canadian farmer, who grew wheat or other export crops, did not like such conditions. Nor did workers outside the textile group. Some low salary groups were disclosed in investigations carried on during the Bennett régime. It became a political issue that the textile companies were doing relatively so well. The Liberals promised reduced duties and to do away with exchange equalization clauses which made import difficult. They have done so and ever since the duties went into effect last May British textiles have been coming into Canada in increasing quantities.

But Exporters Satisfied

But imports of British textiles into Canada are not yet as high as they were at the end of the previous Liberal régime. The wheat grower, the miner, the fisherman and the lumberman do not worry unduly over the increase in any case because they are inclined to believe that these increasing imports of textiles are paying for their increasing exports to Great Britain. They believe also that the increasing demand in Canada for United Kingdom textiles will make the British more eager to renew the Ottawa agreements on a favorable basis to both. They are mainly concerned that the valuable British market should be retained for primary products and for secondary Canadian products produced from them.

Should the Investor Worry?

Investors are not wrong in supposing that statesmen at Ottawa will take every reasonable means to see that the favorable trade balance shown by Canada in recent years, and especially for the 12 months ending July last shall continue. An improving balance of trade has been shown not only with the United Kingdom and with the world at large but also with the United States.

Investors should note that the first fruits of increasing prosperity to the farmer, miner, lumberman and fisherman and many industries supplying them, have been increased demand for the products of the Canadian textile companies as well as more demand for imported textiles. In fact, an important part of the demand for British textile products comes from the Canadian textile industry itself.

Canadians are familiar with the heavy purchases of raw cotton which have to be made from the United States by the textile industry here, but not so familiar with the heavy buying from England of raw wool and semi-manufactured products in wool. Textile concerns also buy considerable amounts of semi-manufactured products such as yarns, threads and cloth from England in cotton and rayon. In fact, the Canadian textile industry does buy so much more abroad than it exports that it may be regarded as one of the important factors in providing money abroad for foreigners to buy Canadian primary products. In the wool cloth category, for instance, Canada is Great Britain's best foreign customer.

Other Cuts Coming?

In all this there does not seem much for the investor to worry about. He is afraid, however, that the reductions made last spring in textile duties may be only a beginning. He fears that there may be other reductions next spring and possibly in succeeding budgets.

What basis is there for this anxiety?

The London representative of The Financial Post says that textile manufacturers in the United Kingdom want still freer entry into Canada. They inform him, however, that they are not interested in trying to sell highly competitive products. That is, they want to export to Canada various specialties which are different from Canadian goods. They are especially anxious to do this in the best quality goods.

Co-operation

The last and the present Dominion Governments have shown themselves anxious to meet the Britishers half way if it can be done without creating unemployment in Canada. The Canadian textile industry in the last few years has also shown that it is willing to talk with the British manufacturers. Good progress has been made toward arriving at some understanding which will prevent lower duties on goods which are already extremely competitive within Canada. The British and Canadian manufacturers have found common ground in their rivalry to offerings in Canada of Japanese goods.

In the past it is true that the ups and downs of duties have worked hardships on some textile companies. The woollen industry, one of the oldest in Canada, has at times found the going especially hard. It was recovering under a protective tariff. The woollen industry, therefore, now represents to the Government that as an industry it already buys so much from Great Britain that further lowering of duties should not occur except perhaps on a few specialties.

The investor also has to worry about what the Turgeon Royal Commission will find out and the type of publicity which will be given across Canada to evidence given before it. It was appointed when a rayon mill in Sherbrooke closed its doors because retailers were stated to be cancelling orders due to lower quotations from Japanese sources.

It is generally understood that the Commission will develop into a most thorough and searching enquiry into all sides of the business done by every textile industry in Canada. The Commission will especially go into statistics of production, imports and exports, sources of raw materials, employment given, wages and salaries paid, and prices to the consumer. It may have an important influence on fiscal policy of the King Government.

Welcomed by Companies

Key companies so far are welcoming the investigation. They want to tell what they are doing so that the Canadan people will know the facts and not build up antagonism on the basis of a lot of surmises and impressions created by political attacks. The Quebec and Ontario Governments also can be expected to watch the course of the enquiry closely as they are interested in the wage and hour schedules of those employed.

A lot of business can be gained or lost to companies as a result of this enquiry. It is, therefore, a time for placing all the cards of the industry on the table. Company heads hope that publicity will be given to the many things that the industry has to be proud of as well as to the black spots which seem to crop up inevitably in any investigation.

Ottawa Agreements

The investor will do well to follow carefully every stage in negotiation of British Empire agreements as well to see what the results will be to this industry. The Ottawa agreements have been working out quite favorably in the last year or so to the British exporter. He is, therefore, pleased with the idea, much more pleased than he was for the first year or two. He will want to perpetuate the advantageous situations and to get some relief in disadvantageous ones.

The investor may rest assured that no responsible government, Liberal or Conservative, will throw the industry to the dogs to satisfy sectional economic prejudices.

Duties may go up or be levelled in the future but the disadvantages of extreme action in either direction will soon make themselves apparent and act as correctives. The consumer will kick when he considers prices too high. Labor will vote against a government which manifestly adopts a policy which closes factory doors. The golden mean may never be found but in the fluctuations up and down the best-run companies should be able to maintain and even improve their strength.

Textile Position Assured

Certainly no present or future government can overlook the fact that Canada is now a great manufacturing nation. Employment given by manufacturing industries in Canada is now 53.3% of the whole working population. One out of 6 workers in manufacturing plants is a textile worker and one out of 9 works in the primary textile industries. The latter employs more women proportionately than any other industry. In many Federal constituencies, textile workers make up the dominant vote.

Big Outlet for British Textiles

One third of Canadian imports from Great Britain are textiles. In the fiscal year of 1935 Canada bought from Great Britain $111.7 millions and of that amount $36.5 millions were textiles. In the year ended March 31, textile imports were $89.8 millions when total imports were $562.7 millions. Of those textile imports $42.8 millions came from Great Britain. Total imports in this period from Great Britain were $120.5 millions.

The proportion of textile imports to the British total is therefore rising and it is very evident that the Canadian demand is a real element in the present strength of the British textile industries. Naturally they want to preserve such a good market.

What are the woollen industries of Great Britain enjoying in the way of Canadian demand? The answer is "a great deal."

Under Canadian tariffs in existence prior to 1932 no wool cloth entered Canada from Great Britain free of duty. In 1935, however, the amount of wool cloth which entered Canada free of duty from Great Britain amounted to 527,568 lb. weight. This is estimated to represent more than 2.2 million square yards of cloth.

In addition to that the British manufacturer is helped in his exports to Canada because there is a maximum duty on woollen and worsted cloth which is dutiable. The duty cannot exceed 65c. a lb. on the main cloth items. This cuts off Canadian production at a definite level. The duty cannot increase over a certain amount and in the more expensive goods, therefore, the percentage of duty becomes increasingly less as the price goes up. The Canadian companies regard this provision as automatically reducing protection on any woollen cloth which they make in the higher price categories.

Consumption Rising

Canadian consumption of wool and woollen products has increased. The imports of raw wool, tops and yarns have also increased and that seems to indicate that Canadian output of woollen cloths is up. However, the increase in square yards of cloth also imported is so marked that it is apparent the greater part of the increase in Canadian consumption of woollen cloths has gone to the British manufacturers. In the calendar year 1935 the Canadian market for woollen and worsted cloths was divided as follows: Canadian mills, 58%; U. K., 40%; foreign, 2%.

The following table shows how exports of Great Britain in the first 7 months of 1936 have increased over the same period of 1935. The decrease in duties became operative in the spring.

Wool Imports From U. K.
(First 7 Months)

	1935 lb.	1936 lb.
Raw	2,541,000	2,712,000
Tops	5,303,000	5,979,000
Yarns	1,404,000	1,581,000
Cloth	7,892,000*	10,013,000*

*Sq. yd.

Import More Finished Goods

A comparison of the exports from Great Britain in the same period in 1930 and again in 1936 shows that during the period of high protection inaugurated by the Bennett Government the imports of raw wool and tops increased monumentally because Canadians did more of their own manufacturing. The increase in imports of cloth and yarns in 1936 compared with 1935 shows that in this year the reduced duties have enabled the British to come up almost to the same level which they enjoyed in 1930.

Wool Imports From U. K.
(First 7 Months)

	1930 lb.	1936 lb.
Raw	1,284,000	2,712,000
Tops	3,484,300	5,979,000
Yarns	2,619,700	1,581,000
Cloth	10,261,800*	10,013,000*

*Sq. yd.

The following table shows in pounds sterling the exports from Great Britain to the 5 principal companies purchasing wool, tops, yarns, cloth and carpets. It will be seen that Canada is the most important purchaser and therefore her market is very much worth while to the British exporter of wool and wool products.

Britain's Wool Exports

	£ Sterling
Canada	2,221,380
Germany	1,649,523
Argentine	1,272,908
U. of S. Africa	1,211,761
Denmark	1,010,263

Of 22½ million lineal yards of woollens and worsteds used in Canada in 1930 Great Britain provided 55.3% and Canada 23.3%. Of 25.3 lineal yards consumed in 1935, 39.7% originated in Great Britain and 58.2% in Canada. The low point of consumption was 16½ million lineal yards in 1931 and yearly total has increased annually since them.

Cotton's Position

The British preferential duties on cotton piece goods have also greatly changed in the last 8 years. They went up materially during the Bennett régime and they have fallen since the King Government went into power but not so low as they were back in 1928.

Cotton Piece Goods Tariff Rates

	Grey	Bleached	Colored
1928	12½%	15%	20%
1931	15¾%	18%	20¼%
	2.7c	2.7c	2.7c
1933	15¾%	18%	20¼%
	1.8c	1.8c	1.8c
1936*	15%	18%	20¼%

*Situation is also affected by 3% excise tax charged on raw cotton and increase of sales tax from 5% to 8%. Montreal also has a sales tax.

The following table of imports of cotton piece goods from Great Britain, the United States and Japan may be in the light of the fact that duties were reduced at the beginning of the year for the United States and Japan and on May 1, 1936, for Great Britain:

Imports of Cotton Piece Goods
(In Thousands of Sq. Yd.)

	7 mos. 1936	7 mos. 1935
From U. K.	42,000	37,900
(In Millions of lb.)	6 mos. 1936	6 mos. 1935
From U. S.	2.8	1.9
From Japan	112.9*	41.4

*An increase of 173%. In thousands of yards.

In every category but lace and embroidery, imports of cotton products are increasing.

Total Cotton Imports
(In Thousands of lb.)

	1936	1935	1934
Yarn & thread	2,717	2,660	2,282
Piece goods	9,524	9,009	8,428
Lace & embroidery	318	260	227
Wearing apparel	245	128	114
Other cotton mfrs.	2,064	1,810	1,486
Total	14,868	13,867	12,537

The Canadian cotton industry provides about 4% of employment provided by manufacturing industries in Canada. Imports from Great Britain of cotton goods are about 11% of total imports of British manufactures. Duty-free imports from Great Britain in the fiscal year 1935 amounted to $2.1 millions.

Facing Rayon Shortage

Artificial silk mixture piece goods imported from Great Britain are increasing. Imports in the first 7 months of 1936 are 957,192 sq. yd. compared with 761,192 sq. yd. for the same period of 1935. Statistics of imports of goods made of artificial silk alone are lacking.

The possible shortage of raw material and therefore increasing costs are foreseen as a factor in 1937 for the rayon industry. That is the opinion of executives of chief companies in Great Britain, the United States and Canada. Super quality bleached sulphite is the basic raw material for rayon companies. The output of rayon has exceeded the capacity of the score or less of mills in the world which are equipped to supply the high quality pulps required. It will take a considerable time to add to the number of such mills and in the meantime manufacturers are apt to pick and choose among the rayon companies they will supply.

See Possible Squeeze

On this point The Stock Exchange Gazette, London, England, says:

"This will go badly with companies which require long credit. Moreover, though prices have not yet been raised, there may well be an upward move with no compensating increase in price of the finished product. Here, again, the smaller people will feel it first.

"The only alternative to wood pulp for rayon is cotton linters, but this is an expensive material and every effort has been made to reduce the amount of linters used and to increase the wood pulp. Acetate silk is in most cases made from linters, though pulp can be and is used. Transparent wrapping is made from pulp.

"Japan is a huge buyer of American rayon pulp but she is making strenuous efforts to meet her own requirements. Her woods are not easy to treat and the difficulties are immense, but some idea of the progress made can be gained from the fact that, despite the big increase in production of rayon this year, her imports of pulp have remained stationary."

Labor Unrest

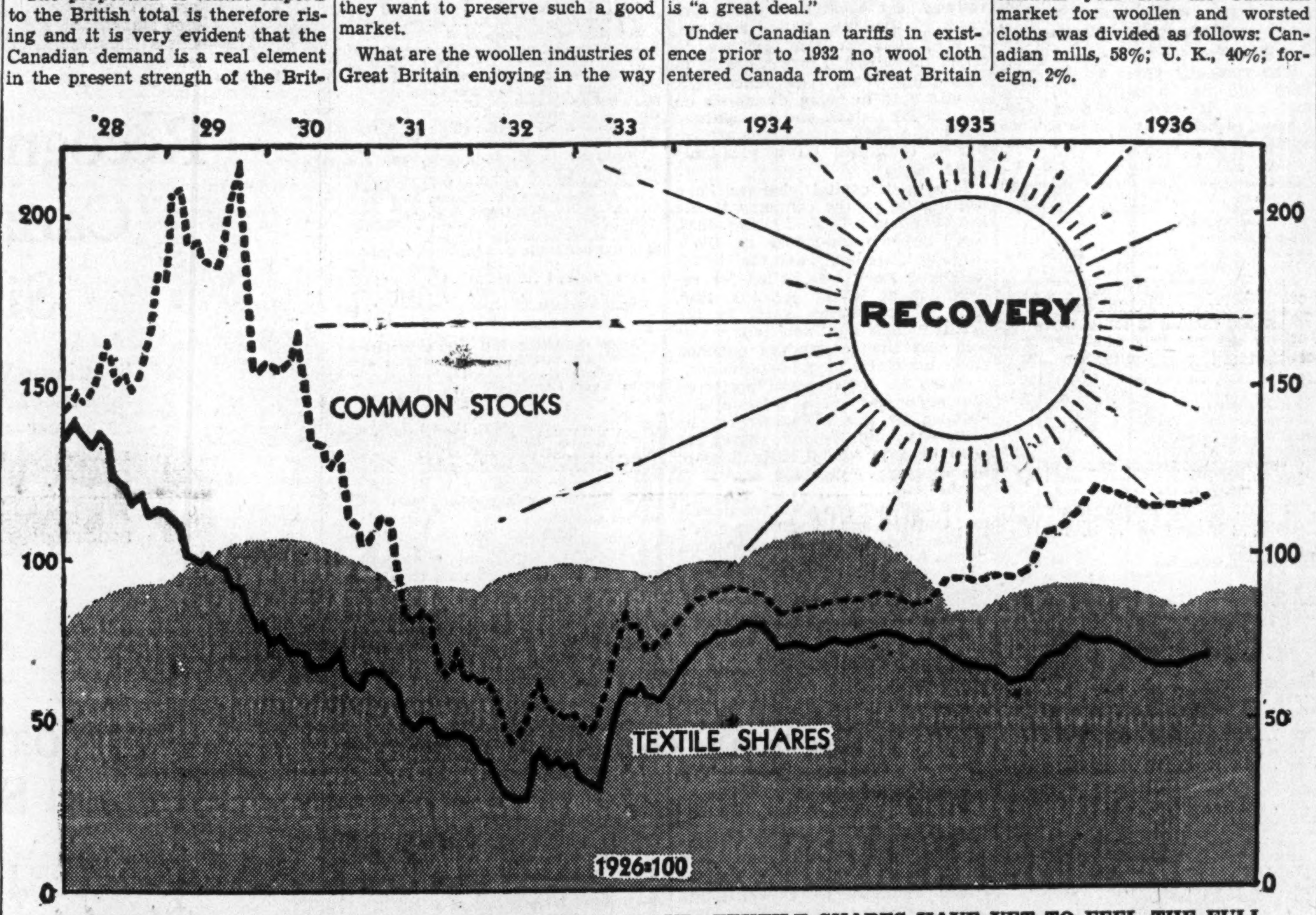
The last element of uncertainty for investors lies in the unrest created by the "black spots in industry" uncovered in recent investigations, in political appeals based on this unrest and in the labor troubles which yet may be over the horizon. For instance, a proposal for the most intensive organization campaign "ever witnessed" in Canada and the southern United States, met with approval of delegates to the recent annual convention of the Textile Workers of America. The expense of this campaign will be covered by a special levy on members of the union.

Delegates gave approval to increasing the international per capita tax from 20 to 40 cents a month. This on the basis of a 100,000 claimed membership, should yield nearly $500,000 a year for organization work, which would be carried on principally in the South and in Canada, where only 3,000 out of 150,000 textile workers are organized.

It is understood that this union's representatives already have taken an active interest in organizing labor in the Canadian textile industry and were responsible for the strike of workers at Courtaulds' Cornwall plant. One of the principal demands of the workers at that point was recognition of the union, but this was refused by the company.

LABOR —York Knitting Mills.

"... Employs more women proportionately than any other industry."



AMONG THE FIRST TO ENTER THE DEPRESSION CLOUD, TEXTILE SHARES HAVE YET TO FEEL THE FULL WARMTH OF THE RECOVERY SUN. CHART IS BASED ON DOMINION BUREAU OF STATISTICS INDICES OF COMMON STOCK PRICES AND TEXTILE SHARES

CONSUMER —T. Eaton Co.

"Canadian consumption of woollen products has increased."

Paton Mfg.

Old Debt Replaced by New Bonds at Saving — Income Holds Steady

Paton Manufacturing Co., woollen operators at Sherbrooke, P.Q., and controlled by interests associated with Dominion Textile Co., report that for the first half of the current fiscal year ending October next, bond interest charges were covered more than 3 times. This would indicate an earning power of around $100,000 annually. As no financial statement is issued by the company, it is impossible to give comparative results for previous years.

Early this year the company carried out a refunding operation, resulting in redemption of all the outstanding 6% first mortgage bonds and their replacement with an issue carrying a coupon of 4½%. As a result the debt of the company now consists of $700,000 of first mortgage bonds; $600,000 of 7% cumulative preferred stock; and 10,000 shares of common stock.

At the time of the financing it was stated that annual average net earnings available for interest, income and profit taxes, after providing for depreciation, for the last 10 and last 5 fiscal years were $110,604 and $98,779 respectively.

Capitalization—	Authorized	Outstanding
Com., n.p.v.	10,000 shs.	10,000 shs.
Pref. par $100	$600,000	$600,000

Funded Debt—
4½% 1st mtge. bonds, due 1956, outstanding $700,000.

Head Office—Montreal.

Dividend Record—
Preferred: 7% cumulative, payable Mar., June, Sept. and Dec. 15. Paid regularly since June, 1923.
Common: none reported.

Officers and Directors—J. M. Mackie, pres.; J. D. Dodd, vice-pres.; A. F. Anderson, sec.-treas.; J. N. Laing, Sir Charles B. Gordon, Sir Herbert S. Holt, Hon. A. J. Brown, F. R. Daniels, all of Montreal.

Earnings—
Earnings available for interest and taxes, for fiscal years ended April 30, are reported as follows: 1936 (6 mos.), $53,134; 1935, $40,160; 1934, $95,978; 1933, $106,185; 1932, $126,185; 1931, $132,867; 1930, $157,223.

Market Record—

	*1936 H	*1936 L	1935 H	1935 L	1934 H	1934 L
Com.	25	18	17	17	30	24
Pref.	100	100	98	94	95	90

*To Sept. 23.

Mercury Mills

Loss After Bond Interest and Depreciation Less in 1935 Than for Years

Mercury Mills, Ltd., which has had losses throughout the depression period in its business of making a wide range of knitted goods, had some improvement in earnings in 1935. But the company continued to operate at a loss. This, after depreciation of $91,500, amounted to $56,283 in 1935 as compared with $137,511 in 1934.

Working capital remained adequate though there still is a bank loan of $45,000 outstanding. Funded debt amounts to nearly $1.4 million, but no sinking fund operations have been reported since 1931.

The company's plants are at Hamilton, Woodstock and Listowel. Due to unsettled conditions, manufacturing activities have been concentrated at Hamilton while operations at the Listowel plant are confined to yarn spinning and dyeing.

Capitalization—	Authorized	Issued
Com., n.p.v.	45,000 shs.	45,000 shs.
Pref., par $100	$2,000,000	$1,000,000

Funded Debt—
First mortgage 5½% bonds Series A, due 1953, outstanding $1,335,000.

Dividend Record—
Preferred—Entitled to 6% per annum, cumulative, payable quarterly, Feb., May, Aug. and Nov. 1. Dividend due Feb. 1, 1931, passed; none since.
Common—None paid.

Officers and Directors—
Officers—H. G. Smith, chm. of board; R. H. Hommel, pres.; J. J. McHardy, sec.-treas.
Directors—H. G. Smith, W. H. Cooper, W. G. Evel, Hamilton; J. H. Gundy, R. H. Hommel, A. D. Cobban, Strachan Johnston, Dunlop Stewart, Toronto; G. A. Dobbie, Galt.

Times Bond Interest Earned—

	1935	1934	1933
Before deprec.	1.45	0.37	1.34
After deprec.	0.23	...	0.09

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1929	294,548	61,861	491,602
1930	*125,583	62,052	224,711
1931	*123,302	......	†282,982
1932	*39,157	......	†74,997
1933	98,469	......	†126,684
1934	31,414	......	†349,403
1935	135,031	......	†396,662

*Loss. †Deficit.

Market Record—

	*1936 H	*1936 L	1935 H	1935 L	1934 H	1934 L
Pref.	13½	9	10	7	18	15

*To Sept. 23.

Riverside Silk

Improving Position Is Shown in Last 3 Years—Earning on "B"

Riverside Silk Mills makes broad silk and also silk yarns used in the manufacture of ladies' underwear and hosiery. Its plant is in Galt, Ont.

Working capital is considered adequate. Though earnings were lower during the depression than back in 1929 yet there has been improvement from the low of $1.13 a share in 1932 to $2.66 a share on the class A stock in 1935. The dividend has been at the rate of $2 a share since 1933.

Capitalization—	Authorized	Outstanding
Common A	30,000 shs.	30,000 shs.
Common B	20,000 shs.	20,000 shs.

No par value.

Funded Debt—
None.

Dividend Record—
Class A—Present rate $2 per annum; cumulative, payable Jan., Apr., July and Oct. 1; $2 paid regularly from July 1928, to April, 1932; reduced to $1 rate July, 1932; payments made on account of arrears of 25c. per share per quarter from Apr. 2, 1934 to Jan. 2, 1936. Arrears at Dec. 31, 1935, amounted to $1.75 per share. After $2 paid on class B, both classes participate equally.
Class B—50c. paid Mar. 1, 1929, and Mar. 1, 1930; none since.

Officers and Directors—
Officers—E. M. McCormick, pres.; C. A. McCormick, vice-pres.; G. H. McCormick, sec.-treas.
Directors—C. A. McCormick, E. M. McCormick, D. W. McCormick, G. H. McCormick, Galt, Ont.; F. J. Coombs, Toronto.

Earnings per Share and Div. Record—

	1935	1934	1933
Class A: Earn.*	$2.66	$2.50	$1.79
Earned†	2.00	2.00	1.79
Paid	2.00	2.00	1.00
Class B: Earn.†	1.00	0.75	nil
Paid	nil	nil	nil

*Before taking participating provisions into account.
†After taking participating provisions into account.

Seven Years Earnings—

Year	*Earnings $	Dividends $	Surplus $
1929	130,162	70,000	484,585
1930	54,079	70,000	468,664
1931	55,085	60,000	463,003
1932	33,835	37,500	458,755
1933	53,637	30,000	481,978
1934	75,044	60,000	497,022
1935	79,912	60,000	516,094

*After depreciation and federal income taxes.

Market Record—

	*1936 H	*1936 L	1935 H	1935 L	1934 H	1934 L
Cl. A	31	28⅛	31	27	27	19

*To Sept. 23.

Tooke Bros.

Changes in Policies Help Cut Down Loss on Operations

Changes in management policies of Tooke Bros., Montreal manufacturers of shirts, handkerchiefs, etc., are expected to result in putting the company on a more profitable basis. Operating loss for the year ended June 30, 1935, was less than half of the previous year and the smallest reported for the past 4 years. Out of the past 8 years, in only 1929 and 1930 has the company been able to report a surplus for the year. Accumulated arrears of dividends on the preferred stock now amounts to around $35 a share.

Results for the year ended last June have not been made public, but there is a likelihood that the income statement will show operations in the black, though competition in this field has been particularly keen.

Capitalization—	Authorized	Outstanding
Common, n.p.v.	10,000 shs.	8,725 shs.
Preferred	$1,250,000	$985,000

7% cumulative. Par $100.

Funded Debt—
1st mtge. 7% bonds, due 1942, $209,700.

Dividend Record—
Preferred — Entitled to 7% cumulative, payable Jan., Apr., July and Oct. 15; paid regularly from April, 1927, to July 15, 1931; none since.
Common—None paid.

Head Office—Montreal.

Officers and Directors—
Officers — W. K. Trower, pres.; R. G. Bock, vice-pres. and man. dir.; G. A. Blundell, sec.-treas.
Directors—W. K. Trower, R. G. Bock, H. J. Trihey, F. J. Knox, W. G. Hanson, C. W. MacLean, Montreal; H. Barrett, Toronto.

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1929	155,856	68,950	337,231
1930	163,185	68,950	386,965
1931	40,320	68,950	258,937
1932	*27,880	......	117,387
1933	*139,216	......	*42,473
1934	*22,804	......	*80,190
1935	*10,110	......	*120,801

*Loss or deficit.

Market Record—

	*1936 H	*1936 L	1935 H	1935 L	1934 H	1934 L
Com.	1	1	..	..	..	..
Pref.	22	10	15	10	15	12

*To Sept. 23.

Companies Reviewed

TEXTILE SECTION INDEX

Acme Glove . . 18
Biltmore Hats . 18
Belding 15
Bruck Silk . . . 15
Celtic Knit . . 17
Can. Converters 15
Can Celanese . . 17
Cosmos Imperial 14
Can. Cons. Felt . 14
Dom. Textile . . 15
Dom. Woollens . 14
Guelph Carpet . 18
Goodyear Cotton 17
Hamilton Cotton 14
Harding Carpets 18
John B. Stetson 14
Montreal Cottons 17
Mercury Mills . 13
Monarch Knit. . 18
Ontario Silknit . 18
Paton Mfg. . . . 13
Penman's 14
Riverside Silk . 13
Regent Knit. . . 18
Supersilk 18
Stanfield's . . . 17
T. S. R. of Lyons 14
Tip Top Tailors . 18
Toronto Carpet . 15
Tooke Bros. . . 13
Wabasso 17
Woods Mfg. . . . 15
Zimmerknit . . . 18

IMPORTS —C. P. R. Photo.

"Canada is Great Britain's best foreign customer."

Cosmos Imperial Mills
LIMITED
Head Office: Hamilton, Ontario
Manufacturers of
Industrial Cotton Fabrics to specification also Wide, Sail and Ounce Duck
Mills Located at
YARMOUTH, N. S. and HAMILTON, ONT.
Selling Agent
J. SPENCER TURNER COMPANY
LIMITED
Hamilton, Ont.

Canadian Cottons

Sales Record Moderate Increase But Competition Keeps Down Profit — Financial Position Shows Strength

Sales of Canadian Cottons this year have recorded a moderate increase, but owing to reduction in prices, profits have not reflected the gain. Competition with the United Kingdom, linked up with cuts in the tariff, are factors affecting operations and profits. The company's fiscal year does not end until March 31 next and results for the full year will depend very largely upon the trend of demand this fall for deliveries next spring.

For the year ended last March the company showed relatively little change in net earning power, but there was apparently an exceptionally heavy write-off for depreciation. This latter charge was reflected in an improvement in cash position and investments.

Report Smaller Deficit

Revenue from bond interest and other charges was $294,977, as against $321,040 in the previous 12 months. Operating profit showed a small increase, but investment income dropped more than half to $87,868. After all charges there was a deficit of $131,954 compared with $176,331 in 1935.

The last balance sheet features an increase in investments from $1.8 million to $2.7 millions and the retirement of nearly $1.6 million of treasury bonds shown in the 1935 report. Inventories were reduced by nearly $300,000 but current accounts payable increased over $400,000 to more than $1.1 million. Reserves advanced $400,000 to $5.5 millions.

Capitalization—

	Authorized	Outstanding
Pref. 6% non-cum.	$4,500,000	$3,661,500
Common	3,500,000	2,715,500

Par $100.

Funded Debt—
None.

Head Office—Montreal.

Dividend Record—
Preferred—6% per annum, paid regularly quarterly Jan., Apr., July and Oct. 4, since April, 1911.
Common—Present rate 4% per annum, payable quarterly Jan., Apr., July and Oct. 4. Initial payment at this rate made Jan. 4, 1934; paid regularly since. 8% paid regularly from 1921 to April 4, 1930.

Officers and Directors—
Officers—A. O. Dawson, pres. and man. dir.; George Caverhill, vice-pres.; R. G. Tolmie, gen. mgr.; H. M. Watson, sec.; K. L. Hamilton, treas.
Directors—W. A. Black, A. O. Dawson, Sir H. Montagu Allan, F. E. Meredith, George Caverhill, W. J. Morrice, R. G. Tolmie, all of Montreal.

Times Bond Interest Earned—

Year end. Mar. 31:	1936	1935	1934
After deprec.	....	3.72	5.19

Earnings per Share and Div. Record—

	1936	1935	1934
Pref.: Earned ...	$5.36	$4.15	$9.35
Paid	6.00	6.00	6.00
Com.: Earned ...	....	....	4.52
Paid	4.00	4.00	2.00

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1930	197,186	382,620	2,229,019
1931	242,874	219,690	2,114,460
1932	257,876	219,690	2,020,200
1933	177,766	219,600	1,891,246
1934	424,017	274,000	1,959,615
1935	233,471	328,310	2,065,180
1936	217,027	328,310	1,979,684

Market Record—

	*1936 H	*1936 L	1935 H	1935 L	1934 H	1934 L
Com. ..	55	48	66	48	72	41
Pref. ..	105	97	105	93½	95	70

*To Sept. 23.

Can. Cons. Felt

Dominion Rubber Subsidiary Records Little Change in Position

Operations of Canadian Consolidated Felt, subsidiary of Dominion Rubber Co., did not record much change last year. Net sales, after discounts, allowances and tansportation, amounted to $796,742, compared with $880,782 in the previous year. There was a loss after depreciation and bond interest of $55,994, as against $33,691 in 1934.

Despite the lack of earnings, interest requirements have been met regularly from reserves.

Capitalization—

	Authorized	Outstanding
Common	$1,500,000	$1,500,000
Preferred	500,000	500,000

Par $100.
51 per cent of the common stock is owned by the Dominion Rubber Co.

Funded Debt—
First mortgage, 6%, due 1940, outstanding $113,500.

Dividend Record—
Preferred—7% per annum, cumulative, Payable Jan., Apr., July and Oct. 1. Paid regularly from incorporation to July, 1914; none thereafter until March 30, 1929, when 2½% interim dividend was paid. Similar payments were made June 30, Sept. 30 and Dec. 30, 1929; Apr. 2 and June 30, 1930. As at Dec. 31, 1935, dividends were in arrears to the extent of 135.50%.
Common—No dividends paid.

Officers — W. A. Eden, pres.; G. W. Charles, vice-pres.; J. G. Barrow, vice-pres. and gen. mgr.; H. P. Nellis, sec.; A. Whitehouse, treas.
Directors—W. A. Eden, G. W. Charles, H. R. Nixon, A. Whitehouse, all of Montreal; F. Bauslaugh, Brantford; J. G. Barrow, Kitchener.

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1929	73,979	50,000	391,013
1930	38,897	25,000	369,888
1931	4,933	......	349,386
1932	33,887	......	324,080
1933	*3,652	......	263,937
1934	7,593	......	230,246
1935	*23,428	......	174,252

*Loss.

Dom. Woollens

Although Dominion Woollens and Worsteds Ltd. reports substantial improvement in results this year, the record since the present company's securities were floated in 1928 has not been satisfactory to the investor.

Operating profit was $109,546 in the year ended June 30, 1936, compared with an operating loss of $225,000 in 1935. However, provision of $100,000 depreciation this year absorbed practically all of the earnings.

Reorganization in 1935 reduced by half the 6% first mortgage bond issue. Interest for the period up to July 1, 1937 is payable only if earned, so that no payment has been made on the bonds since 1934. Meanwhile, there is no prospect of payment on the 6% non-cumulative preferred shares, all of which were issued to bondholders in compensation for reduction of the bond mortgage and waiving of interest arrears.

The company spins and dyes worsted and woollen yarns and weaves wool, cotton and silk cloths. It owns the only wool-combing plant operating in Canada. It has 4 mills, 2 in Peterborough, one each in Hespeler and Orillia.

Value of shipments for the year ended June 30, 1936, increased 27% over the previous year. The value of shipments and earnings depends to some extent on the price of wool.

Capitalization—

	Authorized	Outstanding
Com., n.p.v. ..	155,000 shs.	85,585 shs.
Pref., par $20	$1,270,200	$1,270,200

Funded Debt—
First mortgage, sinking fund bonds 6% due 1953, outstanding $1,058,500.
Reorganization—On March 27, 1935, following default of bond interest due Dec. 1, 1934, bondholders and shareholders approved following plan of reorganization:
Issue of $2,117,000 6% first mortgage bonds together with $254,040 deferred interest bonds replaced by new bond issue of half the amount, $1,058,500. In addition, $1,270,000 6%, non-cumulative preferred shares, par $20, were created; to participate equally with common after preferential dividend.
Bondholders received $50 in new bonds and 3 new preferred shares for each $100 in bonds.

Dividend Record—
Dividends—Preferred: Entitled to 6% per annum, non-cumulative. No dividends paid on either class of stock by present or predecessor company.

Head Office—Peterborough.

Officers and Directors—
Officers—A. O. Dawson, pres.; W. K. Trower, vice-pres.; Henry Barrett, man. dir.; F. C. Cockburn, sec.-treas.
Directors — A. O. Dawson, W. K. Trower, Montreal; G. D. Perry, J. W. Hobbs, Henry Barrett, E. M. Saunders, Toronto; C. M. Heddle, Peterborough.

Times Bond Interest Earned—

Years ended June 30	1936	1935
Before depreciation ...	*1.72	nil
After depr. & amort...	*0.08	nil

* Based on full year's interest at 6% which is payable only if earned.

Dominion Woollens & Worsteds Limited
Head Office: **80 KING ST. WEST, TORONTO**
Plants Located at
HESPELER PETERBOROUGH ORILLIA
Sales Offices:
TORONTO: 80 King St. West
MONTREAL: 701 Confederation Bldg.
WINNIPEG: Phoenix Block
VANCOUVER: 604 Mercantile Bldg.
FINE WORSTED & WOOLLEN SUITING & OVERCOATING also YARNS for
HOSIERY, KNITTED OUTERWEAR
HAND KNITTING AND WEAVING REQUIREMENTS

John B. Stetson

Change in Control of Wolthausen Hat Brings in New Capital

John B. Stetson Co. (Canada) Ltd., is the successor of the Wolthausen Hat Corp., whose manufacturing operations have been carried on at Brockville for many years. The company is a subsidiary of the American firm of the same name. A large amount of new capital was put into the new business for plant extensions and improvements.

Capitalization—

	Authorized	Outstanding
Com., n.p.v. ..	10,000 shs.	10,000 shs.
Pref., par $100 ..	$150,000	$150,000

All preferred issued to John B. Stetson Co., Philadelphia.

Funded Debt—
Wolthausen Hat, 7% 1st mortgage bonds, due 1943, outstanding $83,900.

Head Office—Brockville.
Officers—G. V. MacKinnon, Philadelphia, pres.; M. L. Douglas, vice-pres. and gen. mgr.; G. W. Jones, sec.-treas.

An Outstanding Canadian Industry

For more than a quarter century, The Wabasso Cotton Company Limited has developed until it is today one of Canada's outstanding textile organizations.

The great modern factory houses the newest mechanical equipment for the production of fine cottons and associated lines and employs over 2,400 skilled workers.

Wabasso has steadfastly held to the policy of quality first; with the gratifying result that the name Wabasso is a household word throughout Canada and stands for the finest cottons that can be made.

Manufacturers of

Sheets — Sheetings — Printed Cottons
Slips — Pillow Cottons — Broadcloths

The Wabasso Cotton Co., Ltd.
THREE RIVERS, QUE.

A Great Canadian Industry

Hamilton Cotton

Reduced Operations in '35 But Had Good Bookings in '36 — Big Export

Hamilton Cotton Co. has its main branch at Hamilton where there is a floor space for manufacturing purposes of 275,000 square ft. Earnings were lower in 1935 owing to reduced rate of operation. The company entered 1936 with satisfactory forward bookings and a better output is expected.

The company spins all its own yarn and has a surplus of 55% for sale. It does its own dyeing and bleaching as well as custom work. It does a large export business.

Capitalization—

	Authorized	Outstanding
Common	$600,000	$600,000
Preferred	600,000	570,360

Par value $30.

Funded Debt—
First mtge. 5½% series A bonds, due 1948, $780,000. In addition, the Trent-Cotton Co., subsidiary, has secured notes outstanding, due May, 1939, of $85,000.

Dividend Record—
Preferred—Entitled to $2 per share per annum, payable Jan., April, July and Oct. 1. Initial dividend paid July 1, 1928, and regularly to and including Oct. 1, 1931; none thereafter until Apr. 1, 1935, when 50c. paid and regularly since. Arrears $6.50 per share Apr. 2, 1936.
Common—None paid.

Head Office—Hamilton.

Officers and Directors—
Officers—A. V. Young, pres. and gen. mgr.; J. V. Young, vice-pres. and treas.; J. C. Burns, asst. treas.; J. Bowstead, sec.
Directors—A. V. Young, J. V. Young, W. S. Burrill, M. B. Holton, F. Allen, Hamilton; D. Stewart, H. R. Tudhope, Toronto.

Times Bond Interest—

	1935	1934	1933
Earned	3.48	4.04	1.25

Earnings per Share and Dividend Record—

	1935	1934	1933
Pref: Earn.†	$4.52	$8.25	$0.59
Paid	1.50	nil	nil
Common: Earn.†..	2.39	4.04	nil

None paid.

†Before deduction of income tax.

Seven Years Earnings—

Year	*Earnings $	Dividends $	Surplus $
1929	137,451	39,360	317,013
1930	97,942	39,152	320,114
1931	54,797	29,268	293,056
1932	†904	......	242,818
1933	57,964	......	252,973
1934	187,336	......	366,055
1935	155,557	28,518	421,625

*After depreciation.
†Including $22,710 profit from purchase of company's bonds, less adjustments and after deduction of depreciation, $56,044.

Market Record—

	*1936 H	*1936 L	1935 H	1935 L	1934 H	1934 L
Pref. ..	31	25½	30½	23	25	14

*To Sept. 23.

Cosmos Imperial

By Major Financial Operations in Last 18 Months Company Cleared Way for Dividends on Common Stock — Gains Are Steady

Cosmos Imperial Mills, which manufactures heavier grades of cotton duck used for making vessels' sails, mechanical belting and hose, railway car roofing, binder canvases, tarpaulins, tents, awnings, filters and cotton dryer felts used in paper making, had larger profits in 1935 than in any year since 1929. It was able to begin dividends on the common stock and to continue them into 1936. Operations are reported continued on a profitable basis.

Important capital changes have been made by the company in the last year and a half. In May, 1935, the company redeemed its 6½% first mortgage bonds and the old 7% preferred stock was called for redemption at 105 on April 1, 1936. New 5% preference stock to the extent of half a million dollars was sold and the outstanding common stock increased to 100,000 shares.

Outgo for interest and preferred dividends has been substantially reduced by this refinancing. The preference and common shares are now the only capital obligations of the company. Working capital is very strong.

The company has plants at Hamilton, Ontario, and Yarmouth, N.S.

Capitalization—

	Authorized	Outstanding
Com., n.p.v. ...	100,000 shs.	100,000 shs.
Pref., par $100 ...	$500,000	$500,000

Funded Debt—
None.

Dividend Record—
1st preferred—Entitled to 5% per annum, cumulative from April 15, 1936; payable Jan., Apr., July and Oct. 15. On 7% pref. dividends were paid to date of redemption. During 1932 and 1933 company fell $5.25 in arrears which was paid off in 1934.
Common—Present rate 80c. per annum. Initial dividend of 17½ cents paid May 15, 1935, continued quarterly to Feb. 15, 1936, when 20c. per share paid.

Head Office—Hamilton, Ont.

Officers and Directors—
Officers—S. H. Greene, chm.; W. S. Burrill, pres. and gen. mgr.; A. V. Young, vice-pres.; E. W. B. Moody, sec. and treas.
Directors—S. H. Greene, Boston, Mass.; W. S. Burrill, A. V. Young, Hamilton; J. J. McGill, Montreal; J. E. Rousmanière, New York; G. H. Allen, Yarmouth, N.S., H. R. Tudhope, Toronto.

Earnings per Share and Dividend Record—

	1935	1934	1933
Pref.: Earned ...	$15.20	$14.69	$7.53
Paid	7.00	7+5.25†	3.50
Com.: Earned ..	1.47	*1.93	*0.14
Paid	0.52½	nil	nil

*After deducting full year's preferred dividends but not taking arrears into consideration. †Arrears.

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1929	255,466	102,898	381,579
1930	135,808	101,390	409,897
1931	94,195	98,719	317,452
1932	51,442	65,695	349,732
1933	116,026	47,390	404,369
1934	215,767	170,953	445,544
1935	229,346	124,557	511,483

Market Record—

	*1936 H	*1936 L	1935 H	1935 L	1934 H	1934 L
Com. ..	27	17½	20½	14⅞	12½	7½
Pref. ..	106	102	108	102¾	103⅛	80

*To Sept. 23.

Penman's

Steady Increase in Sales Continues and Profits Last Year Larger Than for Any Year Since 1929

Penman's Ltd., one of the largest woollen and knit goods manufacturers in the Dominion, has shown ample evidence of a well-established earning power. Since 1932 sales have steadily increased and for last year amounted to over $5.2 millions, on which there were net earnings of $600,165. The amount available for dividends was larger than at any time since 1929 and after payment of $3 a share on the common stock, there was a surplus of $37,312, or more than twice that reported in 1934.

The annual statement exhibits a strong financial position, with net working capital at nearly $6.5 millions. This is the largest amount reported since 1929, when current assets exceeded current liabilities by $2.7 millions. There are no bank loans, while cash on hand and call loans at $618,570 compare with total current liabilities of only $166,285.

No official word is available on the trend of current operations but it is believed that returns compared satisfactorily with those reported in 1935.

Capitalization—

	Authorized	Outstanding
Common, n.p.v.	75,000 shs.	64,518 shs.
Pref., par $100 ..	$1,500,000	$1,075,000

Funded Debt—
First mtge. bonds, 5½%, due 1951, outstanding $1,776,500.

Dividend Record—
Preferred—6% cumulative, payable Feb., May, Aug. and Nov. 1, paid regularly since 1907.
Common—$3 per share per annum, payable quarterly, Feb., May, Aug. and Nov. 15. Rate reduced from $4 per annum with quarterly payment of 75 cents per share Feb. 15, 1932.

Officers and Directors—
Officers—Sir Charles B. Gordon, chm. of board; R. B. Morrice, pres.; A. F. Baillie, vice-pres.; H. W. Lundy, gen. mgr.; C. B. Robinson, sec.-treas.
Directors—Sir Charles B. Gordon, R. B. Morrice, A. F. Baillie, J. N. Laing, H. B. MacDougall, J. P. Black, G. W. Grier, Montreal.

Times Bond Interest Earned—

	1935	1934	1933
Before deprec. ...	5.46	5.68	4.99
After deprec.	4.18	4.40	3.72

Earnings per Share and Dividend Record—

	1935	1934	1933
Pref.: Earned ...	$27.48	$25.54	$25.82
Paid	6.00	6.00	6.00
Common: Earned	3.58	3.25	3.20
Paid	3.00	3.00	3.00

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1929	675,729	322,572	1,774,657
1930	332,977	322,572	1,641,347
1931	313,578	322,572	1,463,809
1932	*436,614	258,054	1,393,249
1933	*549,542	258,054	1,412,706
1934	624,357	258,054	1,429,244
1935	600,165	258,054	1,466,556

*After provision for federal income tax.

Market Record—

	*1936 H	*1936 L	1935 H	1935 L	1934 H	1934 L
Com. ..	57	48	63⅛	41	63½	47
Pref. ..	125	118	116	106½	105½	90

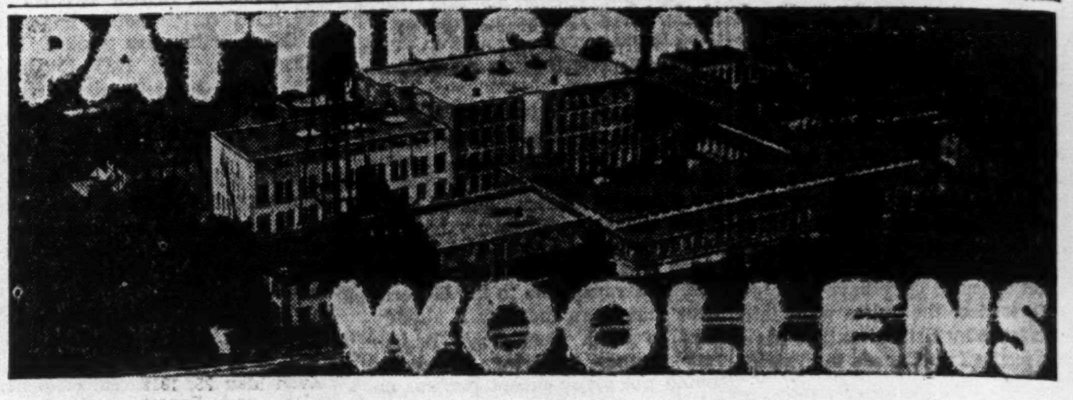
*To Sept. 23.

T.S.R. of Lyons

Canadian T. S. R. of Lyons does not make public its financial statement so that it is difficult to determine what progress has been made by the company. Unconfirmed reports are that earning power is limited and in view of difficulties experienced by other silk manufacturers of late, it is believed that this condition remains unchanged.

Last year the company carried out a financial reorganization. Bondholders approved a plan for the exchange of $250,000 of 6½% first mortgage bonds, issued in 1929, for a new issue of general mortgage bonds, par for par, dated January 2, 1935 and redeemable in 1950.

The new bonds are redeemable at any time at 101 upon 60 days' notice, and payment of cumulative interest at the rate of 5% per annum, but payable only out of 50% of the net profits of the company.



Recognized Leaders in the Canadian Trade for Sixty-five Years

"Pattinson Woollens" are known and accepted for their high standard of quality that is constantly dependable—from year to year. Our mills at Preston are commonly recognized as the most modern and best equipped in Canada. Uniform weaving, superior finish, up-to-date patterns and colours as well as the use of quality yarns are features of "Pattinson Woollens."

Manufacturers of
MEN'S
Overcoatings — Topcoatings
Tweed Suitings — Mackinaws
LADIES'
Cloakings — Blanket Cloths
Polos — Tweeds

GEO. PATTINSON & CO.
LIMITED
PRESTON — *Established 1870* — ONTARIO

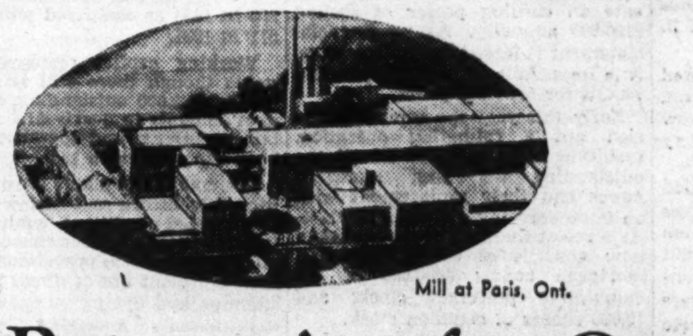
ONTARIO SILKNIT LIMITED
590 King Street West
Toronto, Ont.

—Manufacturers of—

"May Belle" Lingerie shown in a variety of Novelties and Staple Garments.
"Dunning Line" an ultra-quality line for the exclusive trade.
Men's Rayon Undergarments and Polo Shirts — for men who appreciate superior comfort.
"Lombardi Fancy Wool Patterns" — Manufactured under exclusive rights for Canada.
Plain Wool Jersey Cloth at popular prices.

Our extensive plant equipment of modern knitting machinery, with consequent large production, enables us to supply Knitted Rayon Fabrics at exceptionally attractive prices. Goods are dyed in our own plant, under the supervision of specialists.

May Belle Lingerie
ONTARIO SILKNIT LIMITED
Largest Manufacturers of Rayon Fabrics, Silk and Rayon Lingerie in the British Empire.



Mill at Paris, Ont.

HOSIERY — SPORTS GARMENTS
KNITTED UNDERWEAR — KNITTED OUTERWEAR

Reputation for Quality —
Acknowledged from Coast to Coast

A reputation for strict adherence to the highest ideals of quality, unstinted care in manufacture and attention to the latest dictates in fashion, has resulted in an ever-growing clientele extending from coast to coast.

Officers and Directors:
Sir Charles Gordon, G.B.E., Chairman
R. B. Morrice, President
Archie F. Baillie, Vice-President
H. W. Lundy, General Manager
C. B. Robinson, Secretary-Treasurer

Penmans

Mills at:
Paris, Ontario
London, Ontario
Brantford, Ontario
Waterford, Ontario
St. Hyacinthe, Quebec
Coaticook, Quebec

PENMANS LIMITED — HEAD OFFICE: PARIS, ONT.

Carpets and Rugs

for

Homes
Offices
Churches
Theatres
Public Buildings

Superior Patterns - Suitable Qualities

Designed and Manufactured by

HARDING CARPETS, LIMITED

BRANTFORD - ONTARIO

Dominion Textile

Good Volume of Orders on Books — Profits Dependent on Deliveries Next Spring — Slightly Smaller Earnings in 1935-36

Volume of orders on the books of Dominion Textile Co. for delivery next spring is larger than a year ago, but the extent of operations and profits will depend very largely upon actual deliveries.

Affairs of the company came into considerable prominence this year as a result of the closing down of the Sherbrooke rayon plant due to the imminent possibility of over-production of rayon goods and threat of Japanese-made imports. This move contributed in part to the formation of a Royal Commission to inquire into the affairs of the Canadian textile industry.

Profits Off Slightly

In the year ended last March, Dominion Textile reported a net revenue of over $2.2 millions. This represented a decline of approximately $400,000 from the previous year. Owing to lower interest charges and income tax payments, net income available for dividends at $1.11 millions was only $175,000 under that reported in 1935. However, income was not sufficient to take care of the regular dividend on the common stock, and as a result there was a deficit, after all charges, of $360,881, compared with $187,820 in 1935.

The financial statement did not show any material change. Marketable securities increased in value from $2.8 millions to $3 millions. Fixed assets declined from $29.4 millions to $28.6 millions, largely due to the write down of equipment transferred from the Verdun plant to other mills.

Capitalization—	Authorized	Outstanding
Com., n.p.v. ...	350,000 shs.	270,000 shs.
Pref. 7% cum. ..	$2,000,000	$1,940,600

Par $100.

Funded Debt—
First mtge. 4½% bonds series A, due 1955, $4,457,000. The company owns the issue of $1,600,000 5½% bonds of the Drummondville Cotton Co.

Dividend Record—
Preferred — 7% per annum paid regularly, quarterly, Jan., Apr., July and Oct. 15.
Common—Present rate $5 per share per annum, payable quarterly as preferred; dividends have been paid on common each year since 1907; at $5 from April 1, 1925 to Jan., 1933; at $4 from April, 1933 to April, 1934; increased to $5 rate July, 1934.

Head Office—Montreal.

Officers and Directors—
Officers—Sir Charles B. Gordon, pres.; Sir Herbert S. Holt, vice-pres.; G. Blair Gordon, man. dir.; L. P. Webster, sec.; R. A. Lang, treas.; W. A. Eversfield, asst. sec.-treas.
Directors—J. P. Black, Sir Charles B. Gordon, Sir Herbert S. Holt, W. A. Black, G. Blair Gordon, J. G. Dodd, Montreal; Sir Frederick Williams-Taylor, London, Eng.

Yr. end. Mar. 31:	1936	1935	1934
Times Bond Interest			
Earned	7.60	6.51	‡

‡Amount of bond interest not shown in 1934.

Earnings per Share and Dividend Record—

Pref.: Earned ...	$57.11	$66.89	$93.91
Paid	7.00	7.00	7.00
Common: Earned	3.60	4.30	6.25
Paid	5.00	5.00	4.00

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1930	2,079,931	1,485,646	7,496,035
1931	1,807,304	1,485,842	7,515,552
1932	1,633,526	1,485,842	7,363,266
1933	918,044	1,418,342	5,567,123
1934	1,826,388	1,215,842	6,013,596
1935	3,069,079	1,485,842	5,825,876
1936	2,789,420	1,485,842	5,393,423

Market Record—

	*1936 H	*1936 L	1935 H	1935 L	1934 H	1934 L
Com. ..	79	60	82½	60	88	67
Pref. ..	148	143	150	130	140	112

*To Sept. 23.

Belding

Sinking Fund Reserve Used to Write Down Goodwill and Other Items

Belding Corticelli's revenue last year showed a moderate improvement over that reported in 1934. Net profits were $102,340 and after paying dividends on the capital stock, there was a surplus of $11,789, as against $7,812 in the previous 12 months.

The financial statement showed several important changes brought about by retirement of the balance of the company's 5% mortgage debentures. All of these were retired during the year. As a result the balance of the credit to sinking fund reserve was used to write down goodwill from $500,000 to $1, the remainder being transferred to employees' insurance account and depreciation reserve.

It is generally understood that operations during the current year have not shown any marked change. Threat of imports of Japanese rayon, has had an unsettling effect upon operations of Belding Corticelli and other companies in the sa..e field.

Capitalization—	Authorized	Outstanding
Pref., par $100 ..	$1,650,000	$865,300
Com., par $100 ..	850,000	749,500

Funded Debt—
None.

Dividend Record—
Preferred—7% payable Jan., Apr., July and Oct. 2.
Common—4% per annum, payable Jan., Apr., July and Oct. 2. Reduced from 7% to 4% May 1, 1933.

Earnings per Share and Div. Record—

	1935	1934	1933
Pref.: Earned ...	$11.83	$11.37	$11.05
Paid	7.00	7.00	7.00
Com.: Earned ..	5.57	5.04	4.68
Paid	4.00	4.00	4.00

Officers and Directors—
Officers—A. O. Dawson, pres.; W. P. McDougall, vice-pres. and man. dir.; D. F. Pollock, sec.; J. P. Kennedy, treas.

Directors—A. O. Dawson, W. A. Black, P. F. Sise, J. M. Mackie, R. C. Vaughan, W. P. McDougall, Montreal.

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1929	392,925	113,036	510,536
1930	321,112	113,036	518,663
1931	267,342	113,036	479,541
1932	305,363	113,036	470,487
1933	276,335	90,551	475,592
1934	288,756	90,551	483,405
1935	352,964	90,551	495,194

Market Record—

	*1936 H	*1936 L	1935 H	1935 L	1934 H	1934 L
Pref. ..	145	130	125	116	105	97
Com. ..	110	100	98⅝	85	82	65

*To Sept. 23.

Bruck Silk

Drop in Earnings Causes Reduction in Dividend from $1.20 to 40 Cents

Bruck Silk Mills' earnings for the year ended October 31 next are expected to be lower than reported in 1935 when the company had a net income of $463,793. This, in turn, was about $60,000 under that reported in 1934.

Some consolation was held out to the shareholders in the announcement that the company's fall lines are meeting with a good reception and if this continues, it is hoped that the dividend can be increased.

Capitalization—	Authorized	Issued
Com., n.p.v....	150,000 shs.	125,000 shs.

Funded Debt—
First mortgage 6% bonds due 1945, $444,900.

Dividend Record—
An interim dividend of 10c. per share was paid July 15, 1936; 10c. payable Oct. 15, 1936. Payments resumed Jan. 15, 1934, when 25 cents per share paid. 30 cents paid Jan. 15, 1935, and regularly quarterly to and including Apr. 15, 1936. 25 cents was paid each quarter from Feb. 15, 1929, to May 15, 1930, none thereafter until Jan., 1934.

Head Office—Montreal.

Officers and Directors—
Officers — Isaac I. Bruck, pres. and treas.; L. S. Lee, vice-pres. and gen. mgr.; H. Stern, sec.; D. M. Delahey, asst. sec.
Directors—Isaac I. Bruck, Lieut.-Col. C. N. Monsarrat, D. W. Partridge, W. R. G. Holt, W. H. Miner, H. de M. Molson, L. S. Lee, P. P. Hutchison, Montreal; W. M. Chadbourne, New York; W. B. Phillips, London, Eng.; R. G. Ivey, London, Ont.

Times Mortgage and/or Bond Int. Earned

	1934	1933	1932
Before deprec. ..	$10.97	$9.27	$4.21
After deprec. ...	8.18	6.80	2.00

Earnings per Share and Div. Record—

	1934	1933	1932
Com.: Earned ..	$1.47	$1.56	$0.28
Paid	1.00	...	...

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1929	395,260	75,000	484,418
1930	82,743	75,000	375,569
1931	111,036	......	367,927
1932	135,078	......	411,970
1933	287,621	......	552,373
1934	330,521	112,500	624,106
1935	......	......	......

Market Record—

	*1936 H	*1936 L	1935 H	1935 L	1934 H	1934 L
Com.	16	7¼	18⅞	14¾	22	13⅛

*To Sept. 23.

MONARCH-KNIT

Knitted Outerwear
for Men, Women and Children
Debutante Full Fashioned Hosiery for Women
Men's Silk and Wool Socks
Seamless Hosiery for Women and Children
Hand Knitting Yarns

The Monarch Knitting Company, Ltd.

Factories at
Dunnville, St. Thomas, St. Catharines
Head Office: Dunnville, Ont.
Branch Offices:
Toronto, Hamilton, Ottawa, Winnipeg, Calgary, Vancouver, Moncton.
also
The Monarch Knitting Company of Quebec Limited
Confederation Building, Montreal

THE HAMILTON COTTON CO. LTD.

Spinners of
GOOD COTTON YARNS
and
MANUFACTURERS OF CORDAGE

Prompt Service and Dependable Deliveries

Sales Agents

WM. B. STEWART & SONS LIMITED

TORONTO MONTREAL

Toronto Carpet

Dating from 1891, Company Has 500,000 sq. ft. Plant at Toronto

The Toronto Carpet Manufacturing Co. was incorporated in 1891, under Ontario charter and now operates under Dominion charter received May 25, 1917. Manufactures Wilton and Brussels carpets and rugs, Smyrna carpets and rugs and Axminster squares, runners, mats ingrain carpets and rugs. The plant is at Toronto, on 7 acres of land and contains 500,000 sq. ft. of floor space.

Toronto Carpet Manufacturing Co. Ltd.

Officers and Directors—
Officers—F. B. Hayes, pres. and man. dir.; G. D. Perry, vice-pres.; B. B. Hayes, vice-pres. and gen. mgr.; P. D. Hayes, treas.; W. G. Berner, sec.
Directors—F. B. Hayes, P. D. Hayes, C. W. Hayes, G. D. Perry, G. H. Muntz, B. B. Hayes, R. Fennell, all of Toronto.

Office—1179 King St. W., Toronto, Ont.

Funded Debt—
1st sinking fund gold bonds 6's series A. Authorized, all series, $5,000,000; outstanding, series A, $589,000; retired to Mar. 1. 1936, $411,000. Dated Mar. 1, 1924; due Mar. 1, 1944. Interest payable Mar. and Sept. 1. Callable to Mar., 1939 at 103; thereafter to Sept., 1943 at 102. Annual sinking fund for series A of 3% bonds outstanding together with 6% interest on bonds retired.

Capital Stock—
8% non-cum. preferred; authorized $1,000,000; outstanding, Oct. 31, 1935, $832,000 par $100. Has preference as to dividends. Not callable. Regular dividends paid quarterly to Jan. 1, 1933. Dec. 2, 1935, May 2 and Aug. 1, 1936 at the rate of 1% per quarter.
Common — Authorized and outstanding, $1,000,000; par $100. Dividends at rate of 8% per annum paid quarterly Jan. 1, etc., from incorporation to Oct. 1, 1932 incl., none thereafter. Both classes have equal voting power per share.

Woods Mfg.

Setback Reported Last Year After Consistent Gains — May Refund Debt

After 3 years of steady improvement, Woods Manufacturing Co. reported a set-back in 1935, with net earnings totalling only $68,943 as against $229,520 in the previous year. Bond interest was just covered, after depreciation, and nothing was earned on the preferred. The poor showing was due to unsettled conditions in the prices of raw materials and finished products, as the demand was reasonably well maintained throughout the year.

The company ended the current fiscal year with the price situation somewhat improved and it is hoped that the trend will continue throughout the balance of the year.

Despite the rather unsatisfactory showing in earnings last year, working capital, which consists mainly of accounts receivable and inventories, registered an increase of about $100,000. This was due in part to receipt of $100,000 in cash on an insurance policy carried on the life of the late president of the company. The elimination of $170,000 bank loan, which appeared in 1934, further strengthened the liquid position.

No dividends have been paid on the preferred stock since the end of 1930 and at the close of last year arrears amounted to $35 a share. There are reports, at the moment unconfirmed, that a refunding operation will be carried out.

Capitalization—	Authorized	Outstanding
Com., n.p.v.	24,920 shs.	17,106 shs.
Pref., par $100 ..	$2,481,800	$1,528,300

Funded Debt—
1st mtge. 6% bonds, ser. A, due 1943, outstanding $587,000.

Dividend Record—
Preferred—Entitled to 7% per annum, payable quarterly, Jan., Apr., July and Oct. 1. Passed Apr. 1, 1931. None since.
Common—Last paid Sept., 1923.

Officers and Directors—
Officers—H. Crabtree, pres.; W. A. Eden, vice-pres.; J. T. F. Keene, sec.-treas.; R. M. Stott, asst. gen. mgr. and asst. sec.-treas.
Directors—S. E. Woods, Ottawa; Glyn Osler, Toronto; A. M. Irvine, J. W. Pyke, Harold Crabtree, W. A. Eden, Montreal; G. Sackville Browne, Westmount, Que.

Times Bond Interest Earned—

	1935	1934	1933
Before deprec. ...	1.96	6.18	4.32
After deprec.	1.01	4.41	2.76

Earnings per Share and Div. Record—

Pref.: Earned ...	nil	$6.81	$3.87

None paid.

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1929	222,266	106,981	314,173
1930	*69,208	106,981	71,859
1931	*30,666	......	200,591
1932	123,699	......	247,347
1933	170,617	......	306,554
1934	229,520	......	410,652
1935	68,943	......	505,153

*Loss

Market Record—

	*1936 H	*1936 L	1935 H	1935 L	1934 H	1934 L
Pref. ...	67½	50	70	45	61	20

*To Sept. 23.

Can. Converters

Canadian Converters recorded another decline in operating profits for the year ended April 30, 1936, gross income at $29,378 comparing with $39,011 in the previous 12 months. Competition in this field has been very keen for some time and it has been difficult to maintain operations on a profitable basis. But the company was able to maintain its working capital, liquid resources were increased, and $30,000 of bills were paid off.

With a return of better marketing conditions, Canadian Converters is in a position to develop a more satisfactory earning power.

Capitalization—	Authorized	Outstanding
Common	$3,000,000	$1,733,500

Par value $100.

Funded Debt—
None.

Dividend Record—
Common—Present rate $2 per annum, payable Feb., May, Aug. and Nov. 15. Rate reduced from $4 to $2 with payment of 50 cents Feb. 15, 1932.

Head Office—Montreal.

Officers and Directors—
Officers—J. M. Mackie, pres.; T. R. Rennie, vice-pres. and gen. mgr.; T. M. Barrington, sec.-treas.
Directors—J. N. Laing, T. J. Rodger, T. M. Barrington, R. C. McMichael, J. M. Mackie, R. Cherrie, T. R. Rennie, all of Montreal.

Earnings per Share and Div. Record—
Years Ended April 30

	1936	1935	1934
Earned	$0.19	$1.63	$2.19
Paid	2.00	2.00	2.00

Seven Years Earnings—
Years Ended April 30

Year	Earnings $	Dividends $	Surplus $
1930	104,788	121,345	639,163
1931	56,291	86,675	597,279
1932	29,660	52,004	563,434
1933	13,057	34,669	534,821
1934	60,085	34,670	538,136
1935	39,011	34,670	531,637
1936	29,378	34,670	500,345

Market Record—

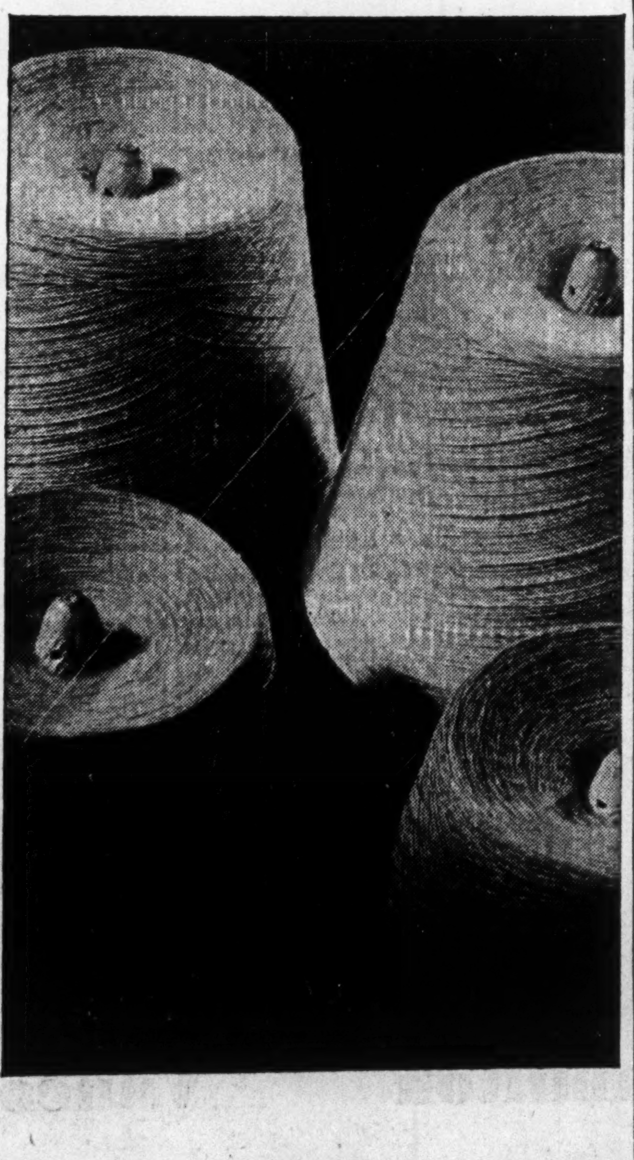
	*1936 H	*1936 L	1935 H	1935 L	1934 H	1934 L
Common	30	22	32	24	45	30

*To Sept. 23.

A Standard of Quality

for over SIXTY YEARS

A Moco FABRIC
REGISTERED

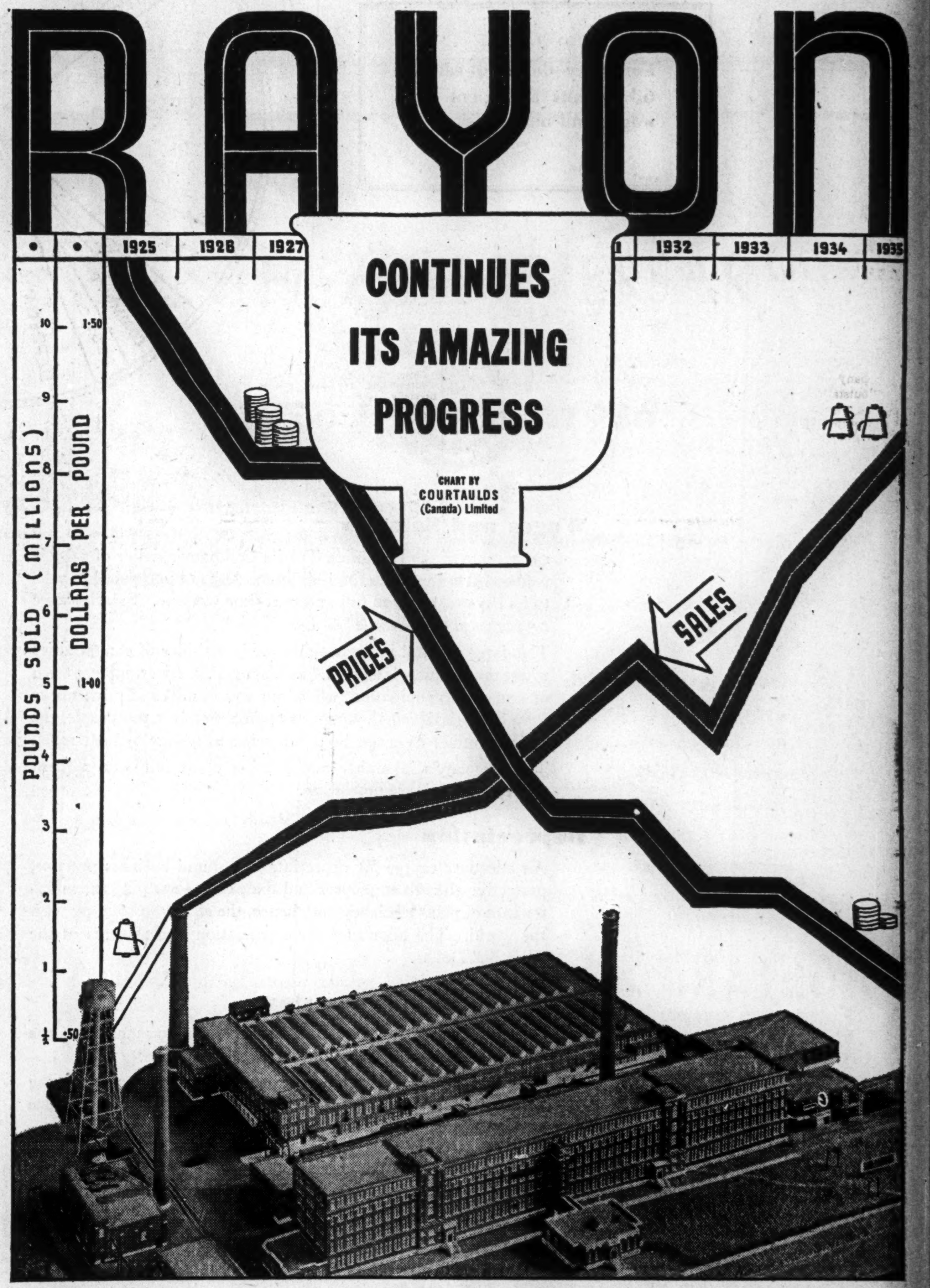


Moco fabrics and yarns have been favourably known throughout the Dominion for over six decades. Behind this reputation for quality stands a company which is still operating under its original identity making it the oldest cotton manufacturer in Canada.

Throughout its growth and progress Montreal Cottons Limited has never compromised with quality and to-day Moco fabrics and yarns enjoy a better reputation than ever.

The MONTREAL COTTONS Limited

MONTREAL TORONTO WINNIPEG VANCOUVER



JUST as steel production, power consumption, car loadings and bank clearings are accepted barometers of business activity, so rayon production in Canada becomes a new trade index of textile progress.

In twelve short years—less than the span of a child's life—rayon has achieved recognition as an essential raw material by the makers of over 500 different products.

With a growth almost as miraculous as Courtaulds manufacturing processes, this, the only 100% Canadian textile, is daily opening up new fields of opportunity for the textile industry.

While the immediate past speaks for itself, faith in the future finds justification in the extraordinary strides already made in the production of rayon fabrics suitable for almost every requirement of the public at a moderate price.

A glance at the background chart above encourages the hope that consumption will continue to expand as mounting capacity and production exert their favourable influence upon manufacturing costs and consumer prices.

Further confirmation of confidence is found in the fact that the world consumption of rayon fabrics has doubled in the past six years. Canada with half the per capita consumption of England (1.25 lbs. to 2.5 lbs.) and considerably less than that of the United States (2 lbs.) has an apparent unlimited opportunity for further expansion.

To the realization of this opportunity and what it means to Canadian industry and Canadian prosperity as a whole, Courtaulds pledge all their resources, their world-wide research facilities in style and fabric production and product improvement.

COURTAULDS RAYON

COURTAULDS (CANADA) LIMITED

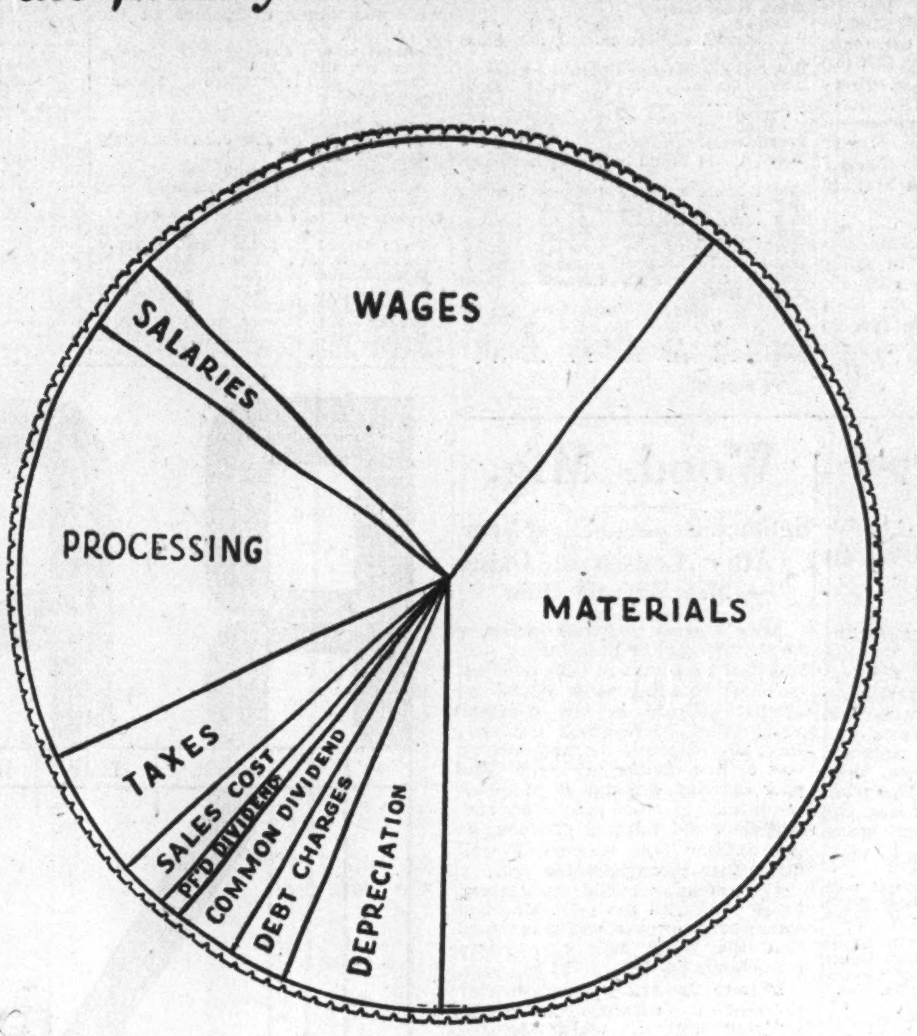
HEAD OFFICE AND PLANT: CORNWALL, ONT. SALES OFFICES: 159 BAY STREET, TORONTO. TRADE SERVICE OFFICES: UNIVERSITY TOWER, MONTREAL.

THE "TEXTILE" DOLLAR

a presentation in graphic form of the Dominion Textile Company's "Dollar" — how it is made up, what it does, where it goes.

for the fiscal year ended March 31st, 1936

For every dollar of sales, 63.1 cents are spent on wages and materials.



For every dollar of sales, only 3.2 cents are available to pay dividends on capital stock.

Wages and Salaries

23.71 cents of the Dominion Textile Company's dollar of sales is paid out in wages—or a total of close to $4.5 millions paid last year to its pay-roll of 6,700 full and part-time workers. Salaries were 2.59 cents of the "Textile" Dollar.

This large pay-roll is the basic factor in stability of communities where the company is located. In Magog, P.Q., for example, a town of some 8,000 population, where our cotton mill and print works have been giving employment to approximately 1,500 people, the civic resources have not been subjected to unemployment relief.

The company's insurance and pension plans fulfil the modern concept of employee protection.

Depreciation

An adequate charge for depreciation is sound business practice, protective alike to employees and the public—enabling the maintenance of plant efficiency and, hence, the ability to compete with the world. The allowance for depreciation is 6.29 cents of the "Textile" Dollar.

Materials and Processing

The purchase of raw materials accounts for 39.43 cents of the "Textile" Dollar, or a total outlay of $7.5 millions.

Over one million dollars was expended in 1935 for processing materials in plants where modern methods are keyed to produce quality products at an economy price.

In addition, large sums were paid out in freight and express charges. These and the processing costs plus power, coal and mill supplies charges made up 16.70 cents of the "Textile" Dollar.

Over 500 Canadian firms supply articles required for the everyday operation and maintenance of the Company's mills.

Sales Costs

These are unusually low, representing but 2.198 cents of the "Textile" Dollar—a minimum expense for the important function of displaying and selling to the trade of the Company's widely diversified lines. The company covers a Dominion-wide market economically for sales and service.

Taxes

Before paying one cent in dividends to those who have a stake in the Company through their shareholdings, $819,541, or 4.45 cents of the "Textile" Dollar, must be paid out or set aside to meet the many and varied forms of taxation. These taxes are equal to $42 a share on the Company's preferred stock.

Debt Charges

Interest payments constitute an obligation on the debt of the company. They are a basic charge and must be paid before there can be any distribution of income to shareholders. These charges are equivalent to 1.420 cents of the "Textile" Dollar.

Dividend Payments

Seven-tenths of a cent goes to the payment of preferred dividends. Only 2.461 cents of the "Textile" Sales Dollar is available for common dividends.

One Hundred Cents on the "Textile" Dollar

The trade and consumer get their full dollar's worth from this efficient, employment-giving leader in Canada's textile industry. Over 2,000 products from the simplest cotton material to intricate style-leading fabrics are daily meeting Canadian consumer demand —on the basis of full value received.

DOMINION TEXTILE COMPANY

LIMITED

Montreal Toronto Winnipeg Hamilton Vancouver

Wabasso Cotton

Realignment of Funded Debt Cuts Down Interest Charges — Net Profits Lower in Past Year

Reduction in the funded debt charges of Wabasso Cotton Co. was effected several months ago by the redemption of the then outstanding funded debt, including that of subsidiaries, and replacing it with a first mortgage bond issue against all properties carrying a lower coupon rate. Under the revised set-up, the bonded debt totalled $3 millions, of which $600,000 are short-term bonds redeemable from 1937 to 1940 and carrying a coupon rate of 3½% on the balance; a second block of $1.4 million carrying a coupon of 4% and redeemable from 1941 to 1948; and the balance at 4½% maturing in 1951.

Gross profit of the company in the year ended May 2, 1936, amounted to $603,369; net earnings, after all charges and appropriations were equal to $1.19 a share as against $2.11 in the 12 months period ended June 29, 1935.

The last balance sheet reflected the refinancing carried out at the beginning of the year. The statement also featured an expansion in net working capital, liquid items being appreciably larger than reported at the end of June, 1935.

Current operations are understood to be fairly satisfactory, but as no interim statement has been issued by the management, results will not be known until publication of the annual report.

Capitalization— Authorized Outstanding
Com., n.p.v.... 105,000 shs. 69,903 shs.

Funded Debt—
1st mtge. serial bonds Series A, 3½% 1937-40, outstanding $600,000; 4% 1941-48; $1,400,000; 4½% due 1951, $1,000,000.

Dividend Record—
None at present. Dividends paid 1918-1929. $4 per annum paid regularly from 1922 to June 30, 1926; $5 in 1927; $6 in 1928; $1 in 1929; none since.

Head Office—Three Rivers, Que.

Officers and Directors—
Officers—C. R. Whitehead, pres.; J. W. Pyke, vice-pres.; W. J. Whitehead, man. dir.; H. W. Capel, sec.-treas.
Directors — C. R. Whitehead, W. J. Whitehead, Three Rivers; W. I. Gear, J. W. Pyke, Hugh Mackay, N. J. Dawes, Montreal; Wm. Harty, Kingston, Ont.

Times Interest Earned—
Years Ended June 30

	1936	1935	1934
Before deprec. .	•5.59	3.84	3.48
After deprec. ...	•2.87	2.10	1.82

•Based on 10 months' interest on the new outstanding bonds, $101,665.

Earnings per Share and Div. Record—

Earned	$1.52	$2.11	$2.10

None paid.

Seven Years Earnings—
Years Ended June

Year	Earnings $	Dividends $	Surplus $
1930	484,559	......	383,214
1931	520,732	......	386,862
1932	238,463	......	103,157
1933	590,127	......	124,284
1934	813,590	......	271,023
1935	872,081	......	371,739
1936 *........	603,369	......	462,673

*10 mos. ended May 2.

Market Record—

	*1936 H	*1936 L	1935 H	1935 L	1934 H	1934 L
Com.	31½	20	31½	16	37	18

*To Sept. 23.

Celtic Knit

Further progress is understood to have been effected by the Celtic Knitting Co. as a result of the general business recovery. Competition from foreign countries continues a problem, but Celtic Knitting has been able to record improvement.

Last year total income of $20,213 was more than twice as great as reported in 1934 and the best in 5 years. Net revenue at $14,133 was just about equal to depreciation and income tax, whereas in the previous year there was a deficit of $2,803 after writing off $6,699 for depreciation as against $14,177 in 1935. Working capital was increased by about $7,000 to $53,161, while bank loans were reduced by $12,000.

No dividends have been paid on the capital stock of the company since the initial payment of 15 cents a share in 1929.

Capitalization— Authorized Outstanding
Com., n.p.v. ... 30,000 shs. 27,000 shs.

Funded Debt—
None.

Head Office—Montreal.

Dividend Record—
Common: Initial dividend of 15c. per share paid Sept. 1, 1929. None since.

Officers and Directors—
Officers—E. P. Gordon, pres.; A. C. Howatson, vice-pres. and man. dir.; E. D. Gordon, sec.-treas.
Directors—E. P. Gordon, A. C. Howatson, E. D. Gordon, W. F. Graw, Keith Nelles, Montreal.

Earnings per Share & Dividend Record—

	1935	1934	1933
Com.: Earned	nil	$0.10	$0.12

CELTIC KNIT
Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1929	15,841	4,050	26,533
1390	†28,831	......	5,702
1931	†7,895	......	†2,193
1932	4,577	......	1,022
1933	6,761	......	4,283
1934	9,558	......	3,586
1935	14,133	......	3,472

† Loss or deficit.

Canadian Celanese

Earning Power Continues at High Level — Raise Additional Capital for Plant Extension — Common on Pay Basis

For the first quarter of 1936 Canadian Celanese reported a net profit of $372,423, which apparently was before other income and after depreciation, but before provision for the 10% participating dividend on the preferred stock and the setting aside of $122,400 for interest on the income funding rights. This is the first time that interim operating profits have been available, so that no comparative figures can be given.

At present Canadian Celanese has under way construction of an addition to its plant at Drummondville, which will be used to house machinery for the manufacture of new fabrics, particularly an artificial woollen fabric for suitings. This expansion of operations is expected to add further to earning power.

Last June the company sold to Nesbitt Thomson and Co. a block of 10,000 shares of preferred stock and 10,000 shares of common stock. The proceeds from this sale, together with cash on hand, will be used by the company to take care of the expansion programme previously mentioned and to enlarge working capital.

It is reported that the Drummondville plant is working at capacity, with earnings equal to, if not better, than a year ago, when over $2.2 millions was available for depreciation, taxes, interest and dividends.

Last March directors placed the common stocks on a dividend basis of 40 cents quarterly. In 1933 the company earned $2.52 a share; $3.49 in 1934; and $2.84 a share in 1935 after making provision for the participating dividend on the preferred, as well as the interest on the income funding rights.

Capitalization— Authorized Outstanding
Com., n.p.v. ... 300,000 shs. 250,409 shs.
Preferred $15,000,000 $9,000,000
7% cum., par $100.
Inc. fund rights* 90,000 rts. 89,000 rts.
n.p.v.
* Issued in settlement of preferred dividend arrears.

Funded Debt—
None.

Dividend Record—
Dividends—Income funding rights: interest of $1 per right, non-cum., payable annually March 31; initial payment made March 31, 1936.
Preferred: 7% cumulative from Oct. 1, 1934, participating, payable last day of March, June, Sept. and Dec.; none paid until Dec. 31, 1930; paid regularly since. Dividend arrears of $25 per share paid off in Jan., 1935 by the issue of income funding rights. Participating dividend of $1.91 per share paid March 30, 1935; 75c. per share March 31, 1936.
Common: Initial dividend of 40c. per share paid March 31, 1936 and quarterly since.

Head Office—Montreal.
Officers—G. H. Whigham, chairman; Dr. Camille Dreyfus, pres.; W. McC. Cameron, vice-pres.; Lee Cadien, sec.-treas.; H. Blancke, asst. sec. and asst. treas.; C. W. Palmer, vice-pres. in charge of sales.
Directors—Dr. Camille Dreyfus, New York; Brig.-Gen. Sir W. Alexander, London, Eng.; C. L. Auger, Patterson, N.J.; Lee Cadien, W. McC. Cameron, New York; Dr. Henri Dreyfus, G. H. Whigham, London, Eng.; P. A. Thomson, A. Schwartz, Montreal.
Finance and Executive Committee—P. A. Thomson (chm.), G. H. Whigham, Dr. Camille Dreyfus, W. McC. Cameron.

Earnings per Share and Divd. Record:

	1935	1934	1933
Inc. rights: Earn.	$18.01	....	....
Paid	1.00	....	....
Pref.: Earned*..	16.82	$16.72	$14.01
Paid: Regular.	7.00	7.00	7.00
On arrears .	...	2.25	2.50
Participating	1.91	nil	nil
Com.: Earned• .	3.18	3.14	2.27

None paid.
*Based on net profit less, in 1935, amount due on income funding rights.
•Based on net profit less current preferred dividend and in 1935 amount due on income funding rights and, in addition, 10% of the remaining amount has been deducted to provide for the preferred stock participating requirements. Preferred dividend arrears not deducted.

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1929	527,519	......	1,216,966
1930	1,254,530	315,000	1,713,479
1931	1,260,449	630,000	1,730,478
1932	1,301,191	720,000	1,723,450
1933	1,857,666	855,000	1,628,176
1934	2,094,755	832,500	1,719,000
1935	2,213,353	890,900	2,402,748

Market Record—

	*1936 H	*1936 L	1935 H	1935 L	1934 H	1934 L
Com.	31¼	25½	27¾	18¼	23½	15½
Pref.	130	112	127	100	120	104
Inc.cert.	21¼	18	21	18	..	..

*To Sept. 23.

Goodyear Cotton

Subsidiary of Goodyear Tire & Rubber Co. of Canada Is Kept Busy

Goodyear Cotton Co. of Canada, Ltd., at St. Hyacinthe, Quebec, is entirely controlled by the Goodyear Tire & Rubber Co. of Canada. The mill at St. Hyacinthe, operated by Goodyear Cotton Co. was formerly owned by the Canadian Manhasset Cotton Co.

The principal product of the company is tire fabrics used in Goodyear tires. An important export business to other parts of the Empire has been developed.

Port Royal Pulp & Paper Co. Ltd., St. John, N.B., is installing a new plant for the manufacture of a fine quality of pulp base, to be completed by January 1, which will increase production by about 40 tons per day. (St. John Times-Globe)

Montreal Cottons

Operations Last Year in the "Black" for First Time in Years — Balance Sheet Undergoes Improvement

Montreal Cotton's financial statement for 1935 for the first time in several years showed earnings on the common stock. While the amount available was only $34,987, it represented a considerable improvement over the previous year when there was a deficit of $208,862 after payment of preferred dividends.

With the increased earning power, the balance sheet underwent a strengthening during the year. Bank loans were reduced from about $1.2 millions to $604,000. Bonded debt was lowered by $15,000 to $404,414. Cash and accounts receivable show moderate increase, while inventories remained about the same. On the other hand, investments declined from $583,000 to $377,626, the market value dropping in proportion, or from $514,644 to $322,409.

New outlets for fine and fancy yarn from Dominion Textile Co. and trade outlets for rayon yarn, greatly assisted Montreal Cottons in recent years. The dyeing and finishing divisions came up against Lancashire competition.

Dividends were formerly paid on the common stock at the rate of $6 a share, but in the past 3 years no payments have been made.

Capitalization— Authorized Outstanding
Common $5,000,000 $3,000,000
Preferred 5,000,000 3,000,000
Par $100.
7% cumulative. No voting power.

Funded Debt—
First mtge. 5% bonds of Montreal Cottons due Nov. 1, 1943, $404,414.

Dividend Record—
Preferred—7% per annum cumulative, payable quarterly, Mar., June, Sept. and Dec. 15. Paid regularly.
Common—None at present. Was 6% per annum, payable quarterly, Mar., June, Sept. and Dec. 15. Paid regularly to and including Dec. 15, 1932. None since.

Head Office—Valleyfield, Que.

Officers and Directors—
Officers—Sir Charles B. Gordon, pres.; Sir Herbert S. Holt, vice-pres.; G. Blair Gordon, man. dir.; W. G. E. Aird, gen. mgr.; C. Gurnham, sec.-treas.
Directors — Sir Charles B. Gordon, E. A. Robertson, Sir Herbert S. Holt, Hon. R. Dandurand, J. P. Black, W. C. Finley, G. Blair Gordon, Montreal.

Times Bond Interest Earned•—

	1935	1934	1933
Before deprec. .	31.05	15.15	10.15
After deprec. ..	15.05	1.07	1.61

•After accounts receivable reserve.

Earnings per Share and Div. Record—

Pref.: Earned ...	$8.17	$0.04	$0.47
Paid	7.00	7.00	7.00
Com.: Earned ...	1.17	nil	nil
Paid	nil	nil	nil

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1929	199,593	390,000	633,515
1930	†130,888	390,000	449,036
1931	†118,787	390,000	383,724
1932	†14,327	390,000	230,451
1933	245,966	210,000	34,687
1934	363,177	210,000	20,910
1935	646,346	210,000	21,233

†Loss.

Market Record—

	*1936 H	*1936 L	1935 H	1935 L	1934 H	1934 L
Com.	35	26	30	20	45	25
Pref.	100	85	97	73	87	67

*To Sept. 23.

Stanfields

Stanfields Ltd., textile operator in Truro, N.S., has under way at present plans for the redemption of its preferred stock. As soon as court approval has been given, the company will take steps to borrow from the banks or place a bond issue for $200,000 which will be sufficient to redeem the preferred stock.

Last year the company earned $135,043 as against $119,864 in 1934. In the annual statement to shareholders, F. T. Stanfield said that due to improved conditions in the past 2 years, it had been somewhat easier for the management to hold down overhead expenses and to keep plants in operation. Recently the firm consolidated sales forces further and opened a warehouse in Montreal.

Capitalization Authorized Outstanding
Com., n.p.v. ..... 12,000 shs. 10,000 shs
Pref., par $40 .... $400,000 $400,000
Shareholders have approved of the plan for the redemption of the preferred stock. Funds for redemption are to be raised from the proceeds of the sale of $200,000 of bonds and the balance from cash on hand. The redemption date is Dec. 15, 1936. Upon redemption of the preferred, the only capital stock will be 12,000 shares of no par value common, of which 10,000 have already been issued and paid up.

Head Office—Truro, N.S.

Officers and Directors—
Officers—Frank T. Stanfield, pres.; C. E. Stanfield, vice-pres.; A. J. Campbell, sec.; E. H. Abbott, treas.
Directors — Frank T. Stanfield, chm.; C. E. Stanfield, J. F. Fraser, A. J. Campbell, H. F. Bethel.

Dividend Record—
Preferred—Entitled to 6% per annum, non-cumulative. No payments to 1934; 6% for year 1934 paid Jan. 15, 1935; 6% paid Jan. 15, 1936.
Common—None reported since 1929.

Seven Years Earnings—

Year	†Earnings $	Dividends $	Surplus $
1928	166,199	40,000	641,965
1929	156,953	60,000	723,918
1931	*18,213	......	18,213
1932	*19,865	......	38,078
1933	*63,350	......	101,428
1934	*119,864	......	197,292
1935	*135,043	......	308,335

*New company. No report issued for 1930.
†After depreciation, taxes, bad debts, etc.

Earnings per Share and Dividend Record—

	1935	1934	1933
Pref.: Earned ...	$13.50	$11.99	$6.33
Paid	2.40	2.40	nil
Common: Earned	11.10	9.59	2.93

None paid.

MERCURY MILLS
LIMITED
Manufacturers of
Mercury Brand
Fine Silk and Woollen Hosiery and Underwear
for
Men, Women and Children
Canadian Manufacturers of
Van Raalte Hosiery
Van Raalte Lingerie
Dr. Denton's Sleeping Garments for Children
Associate Company
Maitland Spinning Mills, Listowel
HEAD OFFICE - HAMILTON, Ontario
Sales Offices in principal cities

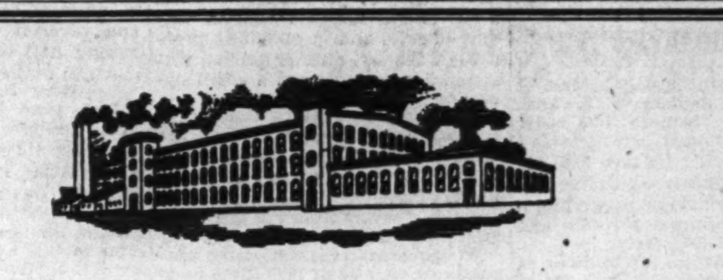
ACME

MOST widely known as Canada's largest manufacturer of fine gloves and work gloves and mitts, the company, which operates its own tannery, produces a most comprehensive range of clothing specialties in leather and cloth. Specialized production, careful control of overhead and economical marketing methods have developed a nation-wide business that is continually growing.

ACME A MAKE

FINE GLOVES ● WORK GLOVES and MITTS ● MACKINAW, LEATHER ● SHEEPLINED CLOTHING ● FINE SHIRTS ● WORK SHIRTS ● WINDBREAKERS ● GOLF JACKETS ● KNIT GOODS ● OVERALLS ● MOCCASINS

ACME GLOVE WORKS LIMITED
Head Office : Montreal
Factories: Montreal, Joliette, St. Tite, Loretteville.
Tannery: Joliette


WINDSOR WEAR
For Men
•
EVANGELINE SILK-TEX
For Women
•
The Aristocrats of Under Garments
Windsor Wear FOR MEN
FOR WOMEN Evangeline BRAND
Made by
Nova Scotia Textiles Limited
WINDSOR, NOVA SCOTIA

TENTH ANNIVERSARY
1926 1936

Dr Camille Dreyfus, speaking at the opening of the Celanese* plant at Drummondville, Que., in September, 1927, said: "Canadian Celanese Limited will be one of the outstanding industrial plants of the Dominion."

Drummondville in those days was a quiet village of some 3000 inhabitants. Today the plant of Canadian Celanese Limited employs some 3,000 workers, and the village of Drummondville is a thriving industrial town of some 16,000 people . . . one of the busiest and most prosperous in the province.

When Canadian Celanese Limited commenced operations in 1926, Celanese yarn was virtually unknown in Canada, and synthetic fabrics were in their infancy. Canada depended largely on imported fabrics for its manufacture of dresses.

Not so now. That the vast majority of Canadian dresses are made from Canadian fabrics is due in no small measure to the energies and creative ability of Canadian Celanese Limited.

The beauty, style, and innate high quality of Celanese fabrics have won for them an envied place in Canada's textile trade. They are in constant and active demand whether for making of dresses, blouses and underwear, the lining of women's coats and men's clothing, or conversion into bedspreads, lamp shades and drapes.

It is a matter of considerable pride to the company that Canadian workers enjoying the facilities of one of the most modern factories in the Dominion, have proved themselves capable, under expert technical leadership, of equalling if not surpassing, the products of countries experienced for generations in the art of weaving.

They have built Canadian Celanese Limited into a position of leadership, and have made possible the steady growth which has marked every year of the company's history.

CANADIAN CELANESE
LIMITED
Makers of Fine Fabrics since 1926

*REG. CAN. PAT. OFF.

Large Savings In Conversion For Simpson's

Interest Reduction Permits Company to Reduce Debt Much Faster

1936 PROFITS UP

Simpson's Ltd. earned in the 34 weeks ended September 2, 1936, $194,000 more than in the same period of 1935.

Besides this, it will save $197,449 yearly in future interest charges by the present conversion operation. Old bonds required $574,449 and new bonds $397,000 yearly.

Simpson's redeems $8.6 millions of 6% series A and $1.1 million of 5½% series B 1st mortgage and collateral trust sinking fund gold bonds of Simpson's Ltd. due 1949 or $9.7 millions in all.

Get Exchange Bonanza

Simpson's Ltd. has already acquired nearly $400,000 of the old bonds which are payable in Canada, United States or England, but on the basis of the exchange value of the pound sterling before France decided to devalue the franc last week would have had to pay about $10.3 millions to acquire the $9.3 millions still outstanding. The redemption price is 104 but to that it added $6.50 on each $100 of the 6% bonds and $6.25 on each $100 of the 5½% bonds to pay accrued interest and exchange premium for those who turned in their bonds early. The British pound sterling was then worth $5.06 in Canadian money or an exchange premium of nearly 4%. The new issue will be payable in Canada and exchange premiums will not affect interest or principal payments in future. The exchange premium paid to old bondholders amounts to more than half a year's additional interest.

The company apparently dips into its own resources to the extent of $600,000 to accomplish this conversion, or $1 million if one includes the bonds already purchased. The rest of the money is acquired by selling $10 millions of new bonds for $9,675,000 as follows:

$1.4 million each of 3% and 3½% serial bonds due December 1, 1937-1944;

And $7.2 millions of 4¼% series A 15-year first mortgage and collateral trust bonds due 1951.

Retires Bonds on Saving

The sinking fund yearly on the old bonds was $193,240. Add this to the yearly interest saving of $197,449 and there will be a total of $390,689 from present earning resources to pay off yearly $350,000 of the 3 and 3½% serial bonds until 1944.

Available For Preferred

By its policy of retiring the new debt the company can save an additional $10,500 each year to 1940 and then an additional $12,500 in all years to 1944 and then an additional $15,933 to 1951 each year. Thus the company's interest payments on funded debt should be $42,000 a year less in 1940, $91,000 a year less in 1944 and $202,527 a year less in 1951 if no other issue is made.

Doubles Bond Retirement Rate

Thus, the chief primary advantage to the company of the present conversion is that it retires its bonds at twice the rate formerly employed. The secondary advantage is to preferred shareholders in that the strain on company earnings to pay interest on senior securities will become progressively less from year to year.

The average yearly earnings of Simpson's Ltd. for 10 years have been $2.2 millions available for the interest on these bonds and an average depreciation allowance of $568,342. The depreciation allowance now runs near $600,000 and average earnings therefore are twice requirements for new bonds and for depreciation.

Monarch Knit

The Monarch Knitting Co., which manufactures heavy and fancy knitted goods, lingerie and hosiery, had lower earnings in 1935 in spite of the fact that dollar volume of sales was the highest since 1929. The decline was attributed to increasing cost of raw materials without a corresponding increase in price of the finished product.

Latest information is that current sales are running higher than a year ago. A good working capital position has been maintained, it is understood, but no further payments have been made on arrears which now stand at a little over $50 a share. Current dividend is being maintained.

The company has 3 factories at Dunnville, St. Thomas and St. Catharines, Ontario.

The president, J. A. Burns, reported on February 8, 1936, that taxes paid by the company in 1935 were equal to $16.76 on each preference share of the company.

Capitalization—	Authorized	Outstanding
Common	$1,275,000	$1,275,000
Pref. 7% cum. ..	750,000	750,000

Shares $100 each.

Funded Debt— None.

Dividend Record—
Preferred—Entitled to 7% cumulative, payable Feb., May, Aug. and Nov. 1; paid regularly 1912 to Nov., 1924; one month's payment (7/17%) made in 1925, none thereafter to May, 1929; paid regularly to Nov., 1930; none thereafter to Feb. 20, 1934, when $3 paid; $1 paid April 2, July 3 and Oct. 1, 1934, and Jan. 2, 1935. Regular quarterly payments of $1.75 resumed April 1, 1935.
Common—None since 1921.

Officers and Directors—
Officers—J. A. Burns, pres.; T. A. Russell, vice-pres.; W. J. Appleyard, sec.
Directors—J. A. Burns, Dunnville, Ont.; T. A. Russell, F. J. Coombs, F. H. Deacon, G. C. Biddle, Toronto.

Earnings per Share and Dividend Record—

	1935	1934	1933
Pref.: Earned	$8.35	$11.47	$9.30
Paid	7.00	7.00	
Common: Earned*	0.79	2.63	1.35

None paid.

*After deduction of full year's preferred dividend but disregarding arrears.

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1929	147,642	39,375	645,426
1930	†59,613	52,500	498,313
1931	52,511	......	514,196
1932	47,165	......	526,361
1933	114,860	......	594,248
1934	135,063	52,500	627,749
1935	107,718	52,500	636,864

†Loss.

Market Record—

	*1936 H	L	1935 H	L	1934 H	L
Com. ..	5	3	5	2½	8	5
Pref. ..	90	85	90	71½	72	45

*To Sept. 23.

Ontario Silk

Operations in 3 Countries Show Good Average Level

Ontario Silknit had improved operations in 1935 in disposing of its manufactured products which consist of lingerie, dresses and other rayon products, supplying Canada, Australia and the British Isles. The first 9 months particularly showed a substantial increase both in volume of sales and in operating profits, but the last quarter proved disappointing and showed a small operating loss.

The company's plant consists of 3 buildings in Toronto. There are complete knitting and dyeing plants at Sydney, Australia, and at Mount Royal, London, England. It also controls Aberley Knitting Mills and Summit Dyeing Co., of Toronto.

Working capital is considered adequate. At the end of 1935 there were bank loans of $162,194. Earnings available for the preference shares have been increasing since 1932.

Capitalization—	Authorized	Outstanding
Com., n.p.v. ...	100,000 shs.	40,065 shs.
Pref., par $100 ..	$1,500,000	$1,000,000
Inc. fund. rts.*	10,000 rts.	10,000 rts.

*Income Funding Rights (Scrip)—Issued Jan. 1, 1936, to holders of preference shares on basis of one right for each share which, together with 75c cash payment, settled all arrears which amounted to $20.75 a share as at that date.

Funded Debt— None.

Dividend Record—
Preference—Entitled to 7% cumulative per annum, payable quarterly, March, June, Sept. and Dec. 15. Initial dividend of $1.75 paid Sept. 15, 1928, and regularly thereafter to and including Sept. 15, 1931; passed until payment of $2 Jan. 10, 1935; $1.75 Mar. 15, 1935 and quarterly since.
Common—None paid to date.

Head Office—Toronto.

Officers and Directors—
Officers—M. H. Epstein, pres.; W. B. Milner, vice-pres.; A. R. Greene, sec.; H. Greisman, treas.
Directors—M. H. Epstein, H. Greisman, A. R. Greene, W. B. Milner, C. H. Burgess, R. M. Leslie, all of Toronto; G. Epstein, Sydney, Australia.

Earnings Per Share and Div. Record—

	1935	1934	1933
Pref.: Earned ...	‡$11.64	$9.81	$4.17
Paid	7.00	2.00	nil
Com.: Earned† ..	1.16	0.70	nil

None paid.

†After allowing full year's dividends on pref. shares outstanding as at Dec. 31.
‡After writing down net current assets of foreign subsidiaries to basis of current rate of exchange.

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1929	311,359	59,920	288,206
1930	116,118	70,000	112,213
1931	170,419	52,500	53,647
1932	158,270	......	58,934
1933	173,189	......	150,374
1934	255,602	20,000	228,509
1935	265,990	70,000	274,919

Market Record—

	*1936 H	L	1935 H	L	1934 H	L
Com. ..	14½	7	18	8	8½	2¼
Pref. ...	90	75	105	75	79	31

*To Sept. 23.

Tip Top

Toronto Tailoring Firm Operates on Narrow Margin of Profit

Tip Top Tailors, Ltd., Toronto, manufactures and distributes men's clothing and women's tailored coats through its own stores and agencies throughout Canada. Earnings in 1935 were almost $10 a share on the preferred, and the regular dividend of $7 a share is being maintained. The original $1.5 million of preferred stock has been reduced last year to slightly under $1.3 million.

While the company's business has increased substantially, the margin of profit has remained narrow, so that earnings on the common have not grown spectacularly. However, last year earnings amounted to 30 cents a share, and the initial dividend of 25 cents a share was paid July 2, 1935. A payment of the same amount was made Aug. 10, 1936.

Increases Liquidity

While practically all the profits of the last 2 years have been devoted to payment of dividends, the company has increased its working capital over $350,000 since 1932, largely because deductions from earnings for depreciation have not all been used in actual plant outlays.

Capitalization—	Authorized	Outstanding
Com., n.p.v. ..	147,500 shs.	120,000 shs.
Pref., par $100 ..	$1,500,000	$1,282,900

Funded Debt—None.

Head Office—Toronto.

Dividend Record—
Preferred: 7% cumulative; payable 1st Jan., Apr., July and Oct.; paid regularly from July 1, 1928, to Jan., 1933; April, 1933, payment passed; resumed July 1, 1933, and paid regularly since; arrears paid Jan. 1, 1935.
Common: Initial dividend of 25c. paid Jan. 2, 1935; 25c. paid Aug. 10, 1936.

Officers and Directors—
Officers — David Dunkelman, pres.; H. P. Mackechnie, sec. and gen. mgr.; R. H. Langlois, treas.
Directors—David Dunkelman, R. Dunkelman, H. P. Mackechnie, J. P. Dunkelman, R. A. Daly, Joseph Dunkelman, Toronto; A. Miller, Hamilton.

Earnings Per Share and Dividend Record

	1935	1934	1933
Pref.: Earned ..	$9.99	$3.76	$6.24
Paid	7.00	7.00+1.75	5.25
Com.: Earned ..	0.30	*0.20	*nil
Paid	0.25	nil	nil

* After deducting a full year's dividend on the preferred, but before taking arrears into consideration.

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1929	692,983	101,097	1,025,557
1930	337,480	96,481	1,115,572
1931	229,748	94,637	1,082,242
1932	33,268	93,510	905,652
1933	220,423	70,040	918,803
1934	258,297	116,734	985,360
1935	275,726	112,491	941,234

Market Record—

	*1936 H	L	1935 H	L	1934 H	L
Com.	11	8	12⅝	7	13¼	6½
Pref.	106	102	100	90	90	63

* To Sept. 23.

Guelph Carpet

Registers Improvement in Sales in 1935 and 1936 —Paid Bank Loans

The Guelph Carpet & Worsted Spinning Mills, Ltd., had an improvement in sales and profits in 1935 and the improvement has continued in the current year. Working capital has been improved materially especially by the payment of all bank loans.

Regular dividends have been earned and paid on the preferred stock each year since the original issue in 1929. Modern machinery was installed in the carpet mill in 1935 and production has been stepped up as a result.

Capitalization—	Authorized	Outstanding
Com., n.p.v....	125,000 shs.	35,000 shs.
Pref., par $100	$2,500,000	$734,200

Funded Debt— None.

Head Office—Guelph.

Dividend Record—
Preferred: 6½% cumulative, payable 1st Feb., May, Aug. and Nov., paid regularly since Aug. 1, 1929.
Common: No set rate; $1 per annum paid regularly from Nov. 1, 1929 to Nov. 1, 1931 inclusive; none thereafter until Nov. 1, 1932, when 50 cents was paid; 75 cents paid Nov. 1, 1933, 1934 and 1935.

Officers and Directors—
Officers—H. Quarmby, pres.; Lt.-Col. E. Gerald Hanson, vice-pres.; B. F. Griggs, sec.-treas.
Directors—H. Quarmby, B. F. Griggs, Guelph, Ont.; Lt.-Col. E. Gerald Hanson, Montreal; Boyd A. C. Caldwell, R. O. Daly, R. R. Corson, Toronto.

Earnings per Share and Dividend Record—

	1935	1934	1933
Pref.: Earned ...	$10.88	$10.55	$9.95
Paid	6.50	6.50	6.50
Com.: Earned ...	0.92	0.85	0.72
Paid	0.75	0.75	0.50

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1929†	63,514	16,250	43,396
1930	88,395	99,846	39,015
1931	103,410	96,065	40,632
1932	88,125	60,409	59,183
1933	73,851	65,410	66,842
1934	77,087	73,975	70,325
1935	83,782	73,973	76,205

†6 mos. ended Sept. 30.

Regent Knit

Returns for Half Year Make Outlook Promising — Income Higher

Regent Knitting Mills' gross sales and net earnings in the first half of 1936 were the best experienced by the company for any corresponding period since 1927, according to an official statement. Normally the company does only about one third of its total business in this period and reversal of the trend in the second half of the year would do much to nullify the improvement.

More For Depreciation

Last year Regent Knit showed gross income of $206,680, an increase of about $12,000 over the previous year. After taking care of senior charges, there was a net income available for taxes and dividends of $10,462, as against $28,851 in 1934. The decline was due to an increase of 37% in the depreciation reserve.

Disbursement of the dividend on the first preferred stock remains in abeyance. Before any action will be taken on this matter, the company will likely carry out its proposal of writing down fixed assets, resulting from an impairment in the value of certain machinery by reason of radical changes in styles during recent years. Such a write-down would permit extinguishing the accumulated deficit on the balance sheet and, also, because of the reduction of fixed assets, call for a smaller annual write-off for depreciation.

Capitalization—	Authorized	Issued
Common, n.p.v.	100,000 shs.	65,009 shs.
Pref., par $25 ..	$400,000	$400,000

Funded Debt—
First mtge. bonds, 6½%, due 1942, $362,500.

Dividend Record—
Preferred—Entitled to $1.60 per share per annum, non-cumulative. None paid.
Common—None paid.

Head Office—Montreal.

Officers and Directors—
Officers — C. G. de Tonnancour, pres.; and man. dir.; Jean Rolland, vice-pres.; J. C. Belle Isle, sec.-treas.
Directors—C. G. de Tonnancour, J. V. Desaulniers, Gerald G. Ryan, J. Ernest Savard, Jean Rolland, H. J. Ross, Montreal; H. Holdroyd, Toronto.

Times Bond Interest Earned:†

	1935	1934	1933
Before deprec.	7.29	6.67	3.45
After deprec.	1.56	1.66	0.45

†After deducting other interest and reserve for doubtful debts.

Earnings per Share—

Pref.: Earned	$0.65	$1.80	nil
Com.: Earned	nil	0.05	nil

No dividends have been paid.

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1929	*7,736	......	606,937
1930	61,653	......	412,794
1931	19,958	......	288,845
1932	110,994	......	66,925
1933	157,904	......	*33,088
1934	194,036	......	*11,007
1935	206,680	......	*10,530

*Loss or deficit.

Market Record—

	*1936 H	L	1935 H	L	1934 H	L
Com. ..	6½	4⅛	7	4¼	6⅛	2
Pref. ..	18½	12½	..	..	..	..

*To Sept. 23.

Harding Carpets

Initial Dividend Paid — Earnings Up and New Process Acquired

Harding Carpets Ltd., Brantford, has operated actively this year, but the management has expressed some uncertainty about possible tariff disturbances. Earnings for the first half of this year amounted to 17 cents a share, compared with 23 cents a share for the full year ended Oct. 31, 1935. Consequently, the initial dividend of 5 cents a share was paid Aug. 1, 1936.

President A. E. Cuthbertson has stated that when the annual statement appears in December it may be possible to announce a definite dividend policy.

Adds New Line

An important addition to manufacturing facilities was made by arrangement with the Artloom Corporation, Philadelphia, to manufacture rugs for the Canadian market, using a patented process of Artloom Corp. on a royalty basis. This is expected to add to volume obtained by sales of the company's own lines of seamless Axminster and Wilton rugs.

Capitalization—	Authorized	Outstanding
Com., n.p.v. ..	300,000 shs.	170,000 shs.

Funded Debt— None.

Head Office—Brantford.

Dividend Record—
Initial dividend of 5 cents per share paid. Aug. 1, 1936.

Officers and Directors—
Officers—A. E. Cuthbertson, pres. and gen. mgr.; E. A. Mott, vice-pres.; A. R. Wynn, sec.-treas.
Directors—A. E. Cuthbertson, E. A. Mott, C. Gordon Cockshutt, Brantford, Ont.; S. W. McKeown, John S. Dickson, H. J. McLaughlin, Toronto; Frank Harding, St. Thomas, Ont.

Earnings Per Share—

	1935	1934	1933
Common (new): Earned	$0.23	$0.26	....

None paid.

Seven Years' Earnings—

Year	Earnings $	Dividends $	Surplus $
1929	47,125	......	10,498
1930	19,145	......	13,137
1931	†5,310	......	†3,672
1932	†22,864	......	†38,862
1933	35,835	......	†38,595
1934	97,471	......	43,354
1935	92,584	......	81,584

†Loss or deficit.

Market Record—

	*1936 H	L	1935 H	L
Common	4	2¾	3½	2⅛

*To Sept. 23.

Electric Power Output Gains 9.1% in August

From Our Own Correspondent

MONTREAL. — Central electric stations in Canada produced 2,020 million kw.h. in August, an increase of 9.1% over the output last year, according to returns compiled by the Dominion Bureau of Statistics. Compared with July, 1936, there was a minor decline due to the falling off in secondary power output.

Zimmerknit

Earnings Cover Bond Interest Adequately — Costs High and Uncertain

Zimmerknit Co., which is controlled by York Knitting Mills, manufactures underwear, hosiery and knit goods and has exclusive rights for Canada to manufacture and sell the "Annette Kellerman" brand of bathing suits.

Its plant at Hamilton is chiefly engaged in the manufacture of knit goods. Two subsidiaries, Harvey Knitting Co. and Hosiery Ltd., have plants at Woodstock, Ontario. The former manufactures underwear and the latter hosiery.

Business of the company is seasonal and results vary from month to month depending on weather and fashions. Fluctuations in raw material prices in recent years and uncertainty as to the cotton policy of the United States Government have also had to be met by the company.

Working capital is believed sufficient though the company showed secured bank loans of $144,442 at the end of 1935. Interest on bonds was well covered in 1935 and this year to date.

Capitalization—	Authorized	Outstanding
Com., n.p.v. ...	100,000 shs.	80,545 shs.
Pref., par $100 ..	$250,000	$250,000

Funded Debt—
1st mtge. and coll. trust bonds 6%, due 1951, outstanding $250,000; 2nd mtge. 6%, due 1961, $488,300.

Dividend Record—
Preferred — Entitled to 7% cum. from Feb. 1, 1934; $3.50 paid Sept. 1, 1934, Mar. 1, 1935, and Feb. 15, 1936. Payment of $3.50 due Feb. 1, 1936, paid Sept. 1, 1936.
Common—None paid.

Head Office—Hamilton.

Officers and Directors—
Officers—J. Douglas Woods, pres.; K. W. Harvey, vice-pres.; E. D. MacPhee, sec.-treas.
Directors—J. Douglas Woods, R. A. Daly, E. D. MacPhee, Toronto; K. W. Harvey, Woodstock; St. Clair Balfour, F. J. Maw and A. V. Young, Hamilton.

Times Bond Interest Earned—

	1935	1934	1933
1st mortgage:			
Before deprec. ..	6.73	5.48	9.90
After deprec. ..	4.64	4.75	6.02
2nd mortgage:			
Before deprec. ..	2.90	2.24	4.45
After deprec. ..	1.84	1.87	2.51

Earnings per Share—

Pref.: Earned ...	$7.71	$8.44	$14.30
Paid	3.50	3.50	nil
Common: Earned† .	0.02	0.04	0.28

None paid.

†After deducting full year's preferred dividend requirements.

Five Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1931	2,674	......	†32,781
1932	52,255	......	†27,026
1933	148,528	......	11,180
1934	82,271	8,750	28,533
1935	100,909	8,750	39,043

†Deficit.

Market Record—

	*1936 H	L	1935 H	L	1934 H	L
Com. ...	4½	2¾	5½	2½	6½	4
Pref. ...	76½	60	85	63½	77	50

*To Sept. 23.

Biltmore Hats

Biltmore Hats Ltd., Guelph, is enjoying a successful year, as is indicated by the rise of the common shares close to $50. This year the common was placed on a dividend basis of $2 a share annually, by payment of a dividend of $1 a share on July 15.

In the year ended Nov. 30, 1935, earnings amounted to $3.16 a share on the common. Of the original issue of $300,000 of preferred stock, nearly $100,000 had been redeemed at the close of 1935. The preferred shares are callable at 110.

The company manufactures men's fur felt and velour hats at Guelph, and maintains permanent sample rooms in major cities from Montreal to Vancouver. Despite keen competition, the company has gone ahead in recent years. Ability to make prompt deliveries gives it some advantage over firms abroad.

Capitalization—	Authorized	Outstanding
Pref., cum. red. Par $100.	$300,000	$209,500
Com., n.p.v. ..	20,000 shs.	20,000 shs.

Dividend Record—
Preferred—7% per annum, cumulative from Mar. 15, 1929, and payable Mar., June, Sept. and Dec. 15. Initial quarterly dividend paid June 15, 1929, and regularly since.
Common—Initial dividend of 50 cents per share paid Jan. 15, 1934. $1 paid Jan. 15 and 50c. July 15, 1935; $1.25 Jan. 23 and $1 July 15, 1936.

Officers and Directors—
Officers—F. R. Ramsey, pres. and gen. mgr.; W. J. Tiller, vice-pres.; W. F. Franke, sec.-treas.
Directors—F. R. Ramsey, W. J. Tiller, W. F. Franke, W. Hilborn, Guelph, Ont.; A. G. A. Spence, Toronto.

Earnings per Share and Div. Record:

	1935	1934	1933
Pref.: Earn.	$41.05	$26.83	$17.21
Paid	7.00	7.00	7.00
Com.: Earn.‡	3.16	2.05	1.10
Paid	1.50	0.50	...

‡After provision for redemption of preferred stock.

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1929	*26,740	15,750	8,236
1930	36,606	20,974	20,160
1931	40,278	20,414	35,266
1932	45,071	18,865	55,332
1933	48,180	17,517	77,633
1934	72,755	26,874	107,629
1935	101,144	45,783	140,080

*For 10 months.

Market Record—

	*1936 H	L	1935 H	L	1934 H	L
Com.	47	30	29½	13	17½	7⅛
Pref.	110	110	110	97¼	105	85

*To Sept. 23.

Wills, Bickle & Robertson

announce that as of September 30th,

Mr. Duncan Robertson

retires as a partner of the firm.

As of the same date

Mr. T. G. Drew-Brook

is admitted as a general partner.

The firm will continue under the name of

Wills, Bickle & Cayley

Members The Toronto Stock Exchange

the partners being

E. GORDON WILLS
T. G. DREW-BROOK
E. W. BICKLE
HUGH CAYLEY

25 King Street West, Toronto

Telephone: WAverley 4561

Acme Glove

Preferred Arrears Liquidated Under Plan — Make Common Payment

Acme Glove Works carried out a plan of reorganization this year. It was designed to simplify the capital structure and, at the same time, eliminate dividend arrears of almost $10 a share on the first preferred stock.

The plan approved by the shareholders resulted in raising the coupon rate on the first preferred stock from 6 to 6½%, with redemption price at 105 instead of 103. The capital structure now consists of 6½% cumulative, redeemable convertible stock of $100 par value, authorized at $1 million of which $687,960 is outstanding and no par value common authorized 30,000 shares of which 24,000 shares are outstanding.

Basis of Exchange

Each 2 old $50 par first preferred shares were exchanged for $120 of new 6½% preferred, the additional $20 being in settlement of dividend arrears. Each old $50 par second preferred was exchanged for one quarter share of new preferred plus 1½ shares of new common. The unissued class A common was cancelled, while the class B common was exchanged share for share into new common.

Following this reorganization, the company placed the new preferred on a dividend-paying basis as well as declaring a quarterly dividend of 12½ cents a share on the common stock.

Net revenues of Acme Glove for last year amounted to $153,729, the largest reported in several years, leaving a balance of $76,628 available for distribution on the common.

Capitalization—	Authorized	Outstanding
Com., n.p.v.....	30,000 shs.	24,000 shs.
Pref., par $100	$1,000,000	$687,960

Funded Debt—None.

Dividend Record—
Preferred (new)—Entitled to 6½% per share per annum, payable quarterly Jan., April, July and Oct. 1. Cumulative from April 1, 1936. Initial dividend of $1.62½ paid July 2, 1936, $1.62½ paid Oct. 1, 1936.
Common (new)—Initial dividend of 12½c. paid July 2, 1936; 12½c. paid Oct. 1, 1936.

Officers and Directors—
Officers—J. D. Ouellette, pres.; F. G. Donaldson, vice-pres.; Alphonse Lepine, sec.-treas.
Directors — J. D. Ouellette, F. G. Donaldson, H. D. Dwyer, E. Lavoie, A. E. Clark, Alphonse Lepine, Montreal; W. Burke, Joliette, P.Q.

Earnings per Share and Div. Record—

	1935	1934	1933
First pref.: Earned.	$11.80	$10.68	$5.24
Paid	3.25	2.43¾	nil
Second pref.: Earn.*	12.77	11.11	3.05
Paid	nil	nil	nil
Cl. B com.: Earn.†	3.91	3.24	0.02

None paid.

*Calculated after deduction of full year's first preferred dividend.
†Calculated after deduction of full year's first and second preferred dividends.

Market Record—

	*1936 H	L	1935 H	L	1934 H	L
1st pref. (old)	59	47	47	32	31¾	25
Cl. B (old)	18	11½	7	3	4⅞	3
Pref. (new)	100	95	..	..	..	..
Com. (new)	21	14½	..	..	..	..

*To Sept. 23.

Supersilk Hosiery

Supersilk Hosiery Mills makes 12 lines of hosiery. It carries on an export trade to Australia, New Zealand, Ireland, Trinidad, India and other foreign countries as well as having an active domestic business.

Its factory at London, Ontario, has a capacity of 5,000 pairs of full-fashioned hose daily.

Operations improved in 1935. Though dividends were reduced during the depression output gained at lower prices and the dividend was maintained at a lower rate.

Capitalization—	Authorized	Outstanding
Class A com..	125,000 shs.	75,000 shs.
Class B com..	25,000 shs.	25,000 shs.
No par value.		
1st pref. par $100	$948,100	$488,100

Funded Debt— None.

Dividend Record—
First preferred—Present rate 3½% per annum; entitled to 7% cumulative, payable Jan. and July 2; paid regularly to Jan. 2, 1932; reduced to $3.50 per annum with payment of $1.75 July 2, 1932; regularly at this rate since.

Head Office—London, Ont.

Officers and Directors—
Officers—W. S. Thompson, pres.; J. D. Good, vice-pres.; A. S. Thompson, gen. mgr.; J. G. Thompson, sec.; R. W. Robertson, treas.
Directors — W. S. Thompson, J. G. Thompson, J. D. Good, W. L. Baragar, W. H. McPhillips, A. S. Thompson, R. W. Robertson, T. W. McFarland, Miss M. O'Donnell, London, Ont.

Sales and Earnings

Year	Sales	Net Profits
1929	463,639	†35,250
1930‡	670,000	†56,000
1931‡	640,000	†61,000
1932‡	*	35,000
1933	*	36,520
1934	*	25,520
1935	*	31,848

†After depreciation and provision for doubtful accounts.
‡Figures approximate. *Not published.

Market Record—

	*1936 H	L	1935 H	L	1934 H	L
Com.	2¾	2	3	1¼	2⅝	2
Pref.	79	66	72	58¼	65	50

*To Sept. 23.

Rayon Sales Price Down; Demand Up

The modern concept of sound business economics that lower prices to the consumer increase demand is well exemplified by the record of Courtaulds. This company started the manufacture of rayon yarns at its Cornwall plant in 1925. During that year production amounted to about 500,000 lb. with an average selling cost in excess of $1.65 a pound. As manufacturing methods improved and costs were lower, the saving was passed along to the consumer, who in turn bought increasing quantities of rayon products. As a result last year Courtaulds turned out 8.5 million pounds of rayon yarn which sold on an average of less than 50 cents a pound.

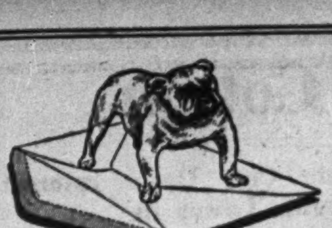
Halifax Cargo Tonnage Records Gain for August

From Our Own Correspondent

MONTREAL.—Shipping through the port of Halifax last month is reported to be the best for this month in the history of the port. During August 182,553 tons of inward and outward cargo passed across Halifax docks, an increase of $36,597 tons over the figure for the same month last year. The improvement was due to a marked increase in imports, as there was a small decline in export trade.

Since January this year, 1.4 million tons of cargo have been handled at Halifax. This compares with 1.5 million tons last year. Inward cargo for the first 8 months of this year was 786,191 tons, as against 791,328 tons for the same period last year. Figures for outward cargo are listed as 646,711 tons from January 1 this year and for 1935 at 712,306 tons.

Glace Bay, N.S., tax collection for the first 8 months of 1936 are $6,179 in excess of same period of 1935. Collections for the period in 1936 totalled $327,748 and $321,569 in 1935.



"Fifty per cent. of the envelope is the gumming!"

Bull Dog GUMMING —The gum that made Globe Envelopes famous!

GLOBE ENVELOPES

Makers of Well Gummed Envelopes

345 ADELAIDE STREET WEST-TORONTO

Avon River Power Seeks Annapolis Valley Property

From Our Own Correspondent

MONTREAL. — Annapolis Valley Electric Co. has applied to the Nova Scotia Board of Public Utilities for an order approving sale and transfer of the company's electric plant and other assets to Avon River Power Co., which in turn is a subsidiary of Nova Scotia Light and Power. A public hearing on the application will be held on October 15.

On the day previous the Commission will hold an enquiry into the extent, condition and value of the fiscal assets of Annapolis Valley Electric, as a going concern.

Our Biggest Autumn Issue

OCTOBER saw the largest linage ever carried by an autumn issue of Chatelaine—8,951 lines more than in October 1935—a gain of 35.7 per cent.

Advertising revenue jumped more than 40 per cent in comparison with the same month last year and the issue carried 11 quadricolor pages—an increase of 120 per cent.

Such healthy progress is further evidence of the very high regard which advertisers have for magazines published in Canada—and especially for Chatelaine. Every year since Chatelaine was first published in 1928, its record has been one of consistent, unbroken progress.

This success is directly traceable to its fine editorial features. Canadian women—particularly the younger, married ones who are admittedly by far the largest buyers of food, toiletries, clothing and furniture—deeply appreciate its helpful leadership. Right now, features that are attracting a lot of attention are—"I Nursed The Quintuplets" by Madame Louise De Kiriline, the Chatelaine Kitchen Idea Contest and the seventeen pages of fashion features in October issue.

Chatelaine

A Magazine for Canadian Women

481 University Ave. TORONTO Canada

Branches at New York • Chicago Montreal • London, Eng.

"IN CANADA THE TREND IN ADVERTISING IS TOWARD THE MAGAZINES"

Your Investments

What We Do:

1. Give information on Canadian securities to Financial Post subscribers.
2. Publish anonymously letters of general interest.
3. Supply facts rather than opinions.

What We Don't Do:

1. Answer enquiries of non-subscribers.
2. Answer enquiries on foreign securities.
3. Reply by telephone or telegraph.
4. Select lists of securities; express opinions; or make forecasts.

Three-cent stamp must be enclosed. Address The Financial Post, 481 University Ave., Toronto.

Burns & Co.

I would greatly appreciate your opinion of Burns & Co. class B shares. On the advice of a broker I invested $1,000 in Burns & Co. shares. All I have left now are 15 class B shares quoted as $5.50 a share. Is there any chance of ultimate recovery of say 50% of my investment?

The situation of Burns & Co. improved materially in 1935, net profit being $234,835 after payment of all interest changes, depreciation and income tax. This compares with a loss of $651,000 in 1932, and $212,000 in 1933. There was a profit of $139,433 in 1934.

Since the capital reorganization in 1934, there have been 190,554 class B shares outstanding, and there were 33,584½ shares of class A stock at Dec. 26, 1935. The class A carries a preference dividend of $1 a share and then participates equally, share for share with the class B stock in any further dividends. No dividend can be paid on the class A stock, however, unless net current assets are $3.5 millions. Net current assets amounted to $2.8 millions in 1935, as defined in the agreement of reorganization. Thus, while no dividends can yet be paid, earnings in 1935 were the equivalent of $2.41 a share on the class A stock, which means the equivalent of $1.41 a share on the class B stock.

Earnings are believed to have been fairly satisfactory this year, but the company has some $300,000 of capital expenditures to make, and may be affected to some extent by legislation in Alberta which is adverse to general business dealings. Provided conditions are favorable, there is an eventual prospect of dividends on the class B stock, and the class A shares may eventually be retired. This is not an immediate prospect, however. Nor is recovery of 50% of your investment, which is a longer-term hope.

Shawinigan

I would like to have your report on the current position of Shawinigan Water & Power Co.'s stock.

Shawinigan's operations this year have been at a record level, with power output the highest in the company's history. While a great deal of this power is still being sold at very low rates for electric boiler purposes, yet the trend of income has been steadily upward. In addition, subsidiary activities, notably Shawinigan Chemicals, etc. have been improving. As a result earnings this year are expected to be around $1.25 a share, or better, as compared with the current dividend payment of 60 cents. While there is no talk at this time of a further increase in dividends, it is expected that when conditions are more stabilized, the directors will take steps to see that a larger share of the earnings are distributed to the shareholders.

Kelvinator

What do you think of Kelvinator of Canada 7% cumulative preferred stock at 102½ a share? In view of the fact that the company earned $21.56 a share on its preferred last year it seems to me that this would be a good purchase.

Kelvinator preferred is selling around $106 a share so that you appear to be mistaken when you mention $102½. The shares are callable at $105. The company not only earned its dividend, but the dividend on the preferred stock is guaranteed by Kelvinator Corp., Detroit, and was paid when the Canadian company was unable to earn it. Earnings of the company have shown further improvement this year and recently an initial dividend of $1.25 a share was declared on the common stock.

Oil Companies

I hold a number of shares in several Canadian oil companies. It has occurred to me, and probably to many others, that if the new Pogue carbureter lives up to the claims that are made for it, the oil companies will be affected seriously. I also notice that Diesel powered cars and trucks are making substantial progress. It seems to me that it is only a matter of time before fuel economies in motors will be effected. I am wondering whether it would be advisable to sell my oil stocks.

We have heard many arguments for and against the new Pogue carbureter, said to decrease gasoline consumption by as much as 90%. We have formed no opinion one way or the other. Some interesting demonstrations have taken place and performance under the conditions obtaining was startling. Some responsible people who have seen the demonstrations tell us that they are convinced, and these people also say they do not know how the results are obtained and the promoters themselves are proceeding in comparative secrecy to develop the carbureter.

On the other hand, the oil companies and their experts profess to be undisturbed by this development. They also profess to be undisturbed by the extraordinary economies made by Diesel-powered autos. Such demonstrations have been made in England, United States and Canada.

Undoubtedly there would be for a time a falling off in consumption if motorists generally began to put in a carbureter which could live up to the claims for the Pogue carbureter. So far as the Diesel development is concerned, the weight of the equipment is against it. However, every effort is being made to overcome that handicap.

Even if both types are successful they will have to draw for supplies on the oil companies. But naturally such developments would have adverse effects on revenues of oil companies.

Loblaw Groceterias

I would like a report on Loblaw Groceterias class A stock. Do you consider this stock a good investment medium?

Loblaw Groceterias class A shares have been selling over $21 so that the yield from the dividend of $1 a share is about 4.6 per cent. The company's record is one of success and expansion, under efficient management. Earnings in recent years have been more or less stabilized around $1.10 a share. In the year ended May 31, 1936, earnings amounted to $1.11 a share. The equity for the class A stock was $12.69 a share.

This year's operations have started off well, with an increase of over 14 per cent in sales and over 18 per cent in profits for the twelve weeks ended August 22. If economic recovery continues, the company's policy of expanding its store units into large scale market shops should enable it to increase profits. Consequently, there is some eventual possibility of extra dividend payments being made. However, you should remember that the days of sensational expansion in chain stores appear to have passed, so that the buyer of the shares should look for maintenance of the present dividend. Since there are no senior securities, the class A shares constitute a comparatively stable price of equity investment in food merchandising.

Ontario Silknit

Will you give me a report on Ontario Silknit, particularly as to an investment in preferred stock?

Ontario Silknit has no funded debt, but had mortgages payable of $83,500 at the end of 1935. It also has outstanding $1 million of 7% preference stock, 10,000 income funding rights and 40,085 no par value common shares. The scrip known as income funding rights was issued at the beginning of 1936 to holders of preference shares on the basis of one right for each share and 75 cents cash payment to settle arrears which amounted to $20.75 per share. The company is obliged to pay interest on these rights to the extent of net profits available to a maximum of $1 per right per year.

Since 1930 the company has paid preferred dividends in only 3 years, $5.25 a share in 1931, $2 in 1934 and $7 in 1935. Arrears were funded in 1935. The company earned on the preferred $4.17 a share in 1933, $9.81 a share in 1934 and $11.64 a share in 1935. Earnings last year represented the third annual increase in profits. The final quarter of 1935 was disappointing but it is understood that the first half of 1936 compared favorably with 1935.

On the basis of 1935 earnings, scrip earned $4.64 per right. The company appears to be run well, but the business is somewhat erratic.

Canadian Canners

Please give me what information you can about Canadian Canners second preferred stock.

Canadian Canners second preference stock is convertible into common stock, share for share. It is callable at $20 a share. The second preference is preferred to the extent of 60 cents a share dividends, before dividends can be paid on the common in any year. Any further disbursement, until each stock receives $1 a share, is payable on the basis of 2½ cents on each common share and one cent on each second preference share. If dividends reach $1 a share on the second preferred (which they never have) all further dividends accrue to the common.

The company is understood to be having a satisfactory year at present, partly due to the rise in the price of foods, following the summer drought. This is expected to result in somewhat more profitable operations. The year which closed Feb. 29, 1936, was a considerable improvement on 1935. Earnings on the second preference amounted to 19 cents a share, compared with nothing in the preceding year. Dividends of 20 cents a share were paid last year, but have been discontinued since that time. Dividends on the second preferred, which are non-cumulative, have been erratic, amounting to 80 cents a share in the year ended Feb. 28, 1930, 95 cents for 1931, 77 cents in 1932, 47 cents in 1933, 30 cents in 1934, 37½ cents in 1935 and 20 cents in the year which ended in 1936.

If the current year turns out as favorably as is expected, there will be some possibility of dividends on the second preferred, because the company has been generous with its payments. This year the company's former 6% bonds were refinanced with 3% and 4% securities, which saves interest charges, but most of the saving is consumed in the form of larger annual redemptions. In addition to being junior to $3.5 millions of bonds, the second preferred is junior to some $3.9 millions of 6% first preference stock.

Canadian Dredge

Do you consider Canadian Dredge common a good investment at present levels? It seems to be that in view of the expected revival in the construction business further appreciation in the price of these shares can be expected.

At the current level of about $47 a share, stock of Canadian Dredge and Dock Co. reflects substantial earnings and dividends from last year's operations, and maintenance of a good volume of work. Early this year, President D. S. Pratt explained that work under contract was in about the same volume as early in 1935, from which earnings of $5.02 a share were realized. Since the current year opened, the company has received a contract from the British Government for work in Jamaica, and from the Dominion Government for work at Port Arthur which promise substantial volume for next year.

Regular dividends are $2 per share annually, the last payment having been made August 1. However, total payments from earnings for the year ended Jan. 31, 1936, were $3 a share which would give a yield of over 6% at the current price for the shares.

The company is not strictly speaking in the construction field, since it depends to a large extent for its volume on marine work for governments. Increased contracts have brought net profits up from $52,660 in the year ended Jan. 31, 1934 to over $480,000 in the latest year.

This is not exactly the type of company whose shares are being bought in expectations that there will be a revival in building. It is engaged rather in general dredging and marine work, and it has now enjoyed a fairly substantial measure of recovery.

Asbestos Corp.

Can you tell me why there has been such a sharp advance in the market value of Asbestos Corp. common stock? Do you think it is overvalued?

The very appreciable advance in the value of Asbestos common stock has been based on 2 factors: a marked rise in earning power and expectation that the company will redeem the general mortgage bonds and in that way eliminate liability of arrears of interest and sinking fund payments, in order that dividends can then be paid on the capital stock. Naturally we are not in a position to say whether or not the stock is too high-priced at the current level, but the fact that there is an active market at that level would indicate that many people are of the opinion the stock is not overvalued.

Robert Mitchell

As a subscriber I would like to have a report on operations and earnings of Robert Mitchell Co. Is the outlook any better for this company?

Volume of business available to Robert Mitchell Co. this year has been appreciably larger than in 1935 and it is understood that current operations are on a profitable basis. Last year the company had an operating loss of $17,263 in comparison with $88,326 in 1934, despite a small decline in sales. Liquid position suffered, working capital at the close of 1935 being $250,474 compared with $300,935 in 1934. Bank loans increased during the year from $20,000 to $110,400. The increase in building activity and railway operations is expected to benefit the company.

Dominion Coal

Could you tell me the financial set-up of Dominion Coal? I am thinking of buying some of the preferred stock.

Dominion Coal Co. is controlled by Dominion Steel and Coal Corp. Its capitalization consists of $2,167,500 of 5% first mortgage bonds; $3,430,000 of 6% cumulative registered debentures; $6 millions of 6% cumulative preferred stock and $12 millions of common stock. Aside from the common all of the securities outstanding are in the hands of the public. Dominion Coal has regularly met interest charges and other obligations on its funded debt and, following a capital reorganization in 1935 which wiped out arrears of dividends on the preferred stock, the new preferred has been placed on a regular dividend basis. As you are probably aware the preferred dividends were liquidated through the issuance of 8 new $25 par value preferred shares for one old $100 par value preferred share, and the coupon rate reduced from 7 to 6%. In 1933 the company earned $7.34 a share on the old preferred and $25.18 a share in 1934. Earnings on the new preferred in 1935 amounted to $2.10, or equivalent to $16.80 on the old stock.

McColl-Frontenac

Can you give me any information concerning the drilling being done by McColl Frontenac Oil in the West Indies? Do you know anything about the calling in of the preferred shares?

McColl Frontenac Oil Co. acquired all leases in Trinidad in 1935, and one well has already been brought in. The company hopes to obtain a substantial supply of crude from this concession, which is not subject to restriction of output as are wells in the United States. It is anticipated that the financial statement for the current year, which will make its appearance next April, will give more details in regard to the Trinidad operations.

Directors of McColl Frontenac have gone on record as favoring a simplification of the capital structure. To that end shareholders approved an increase in the authorized common stock to 2.5 million shares. The plan in mind is to issue this stock as occasion warrants and with the proceeds retire the bonded debt and in turn the preferred stock. This operation may not be effected for some time.

STOCKS LISTED AND UNLISTED BONDS

Hambly, Peaker & Trent

Members
THE TORONTO STOCK EXCHANGE

613 DOMINION BANK BUILDING
TORONTO
Elgin 3294

Montreal Power's Net Holds Around 1935 Level

Advance in Expenses Offsets Gain in Revenues

From Our Own Correspondent

MONTREAL. — Net income of Montreal Light, Heat and Power Consold. for first 8 months of current year was roughly the same as reported for the same period in 1935. If the present trend continues expectations are that the company will show earnings of $1.75 a share for the full year, or the same as in 1935, and comparing with the dividend rate of $1.50 a share.

Gross revenues have been larger to date. Sales of electricity for the 8 months period were 5.58% over those for last year. Every month this year has shown an increase.

Sales of gas have not been as favorable as electricity, until the last 2 months when increases were reported. Between January and August cumulative returns were practically the same as in 1935.

Taxes Limit Profits

Investment income has contributed to the better earnings this year, but net has failed to show an increase due to the increase in taxation and operating expense. It is no secret that the power contracted for by the company is somewhat in excess of current requirements. While this surplus has been sold as dump power, there has been a small loss on net balance.

Taxation continues to mount steadily and is one of the chief problems confronting the company. Last year Montreal Power's tax bill amounted to over $2.3 millions, equal to 50 cents per thousand cubic feet if applied to gas sales or nine tenths of a cent per kilowatt hour if applied to domestic and commercial electric sales. This year taxes will be even higher.

One factor which has enabled the company to maintain its net earnings position this year, has been a sharp reduction in fixed charges. Over the last 2 years Montreal Power has redeemed nearly all of its underlying bonds from cash resources and has replaced over $39 millions of 5% direct funded debt with $15 millions of bonds, of which $10 millions carry a 3½% coupon and the balance 2½%.

The savings on funded debt charges have been substantial this year and largely responsible for maintenance of net income.

Turgeon Textile Enquiry Resumes

From Our Own Correspondent

MONTREAL. — The Turgeon Royal Commission investigating conditions in the Canadian textile industry has resumed its hearing with an examination into the affairs of Belding-Corticelli Co.

Earlier in the year the Commission investigated working conditions in practically all the cotton textile plants and heard evidence submitted by company officials and workers. During the summer months Mr. Justice Turgeon investigated textile conditions in England and also did some preparatory work for the wheat enquiry.

It is expected that the textile enquiry will be finished shortly, but the Commissioner's report may not make its appearance until the end of the year.

Can. General Investments Raises Dividend and Income

An increase of about 15% in earnings of Canadian General Investments Ltd., Toronto, this year lies behind the advance of the dividend to an annual rate of 50 cents a share. First quarterly dividend of 12½ cents a share at the new rate has been declared payable Oct. 15 to shareholders of record Sept. 30.

Earnings amounted to 46 cents a share in 1935 from which dividends of 40 cents a share were paid. This year's earnings are expected to be comfortably over 50 cents a share, and total dividends will probably be about 45 cents a share.

Present liquidating value of assets behind each of the 600,589 shares of the trust is understood to be about $12½ a share. This compares with $10.55 a share at the close of 1935 and $8.96 a share in 1934.

Current market price of the shares is about $9.15, yielding nearly 5.5% on a dividend of 50 cents annually. The price compares with $7¾ at the beginning of this year and $6¼ early in 1935.

Senator Rt. Hon. Arthur Meighen is president of the company and the board is made up of leaders in Canadian business and finance.

Price Bros. Near Capacity

May Produce 300,000 Tons This Year — Receiver Reports

From Our Own Correspondent

MONTREAL.—Price Bros & Co.'s output for the current year may approximate 300,000 tons of newsprint, an increase of 31.6% over the preceding year, according to a statement released by Hon. Gordon W. Scott, trustee-in-bankruptcy for the company. He adds, however, that a very high proportion of this tonnage is for delivery in South American markets from which the net return to the company is many dollars per ton less than the average of sales in the United States.

During the fiscal year ended March 31 last, the company produced approximately 228,000 tons of newsprint. This is in contrast with 210,000 tons in the 1935 fiscal year and 160,000 tons in 1934. During the first 9 months of the past year, there was no increase in the basic price level for newsprint. In the last quarter there was an increase of $1 a ton but this was offset by increased costs.

The company's sawmills have continued to run at capacity although still with very slight return in the way of profit. Similar conditions have prevailed in connection with the company's cardboard and specialty business.

Explains Bank Loans

In discussing the increase in bank loans, the receiver points out that the increase is entirely due to the excessively high rate of production at which the company's plants have been and are now being operated.

Costs of production have shown a general tendency to increase in unit value, and further, because of the high rate of production, it has been necessary to provide for pulpwood inventories on a more elaborate scale than heretofore.

River Bend at Capacity

During the past year the company spent $120,000 on necessary equipment in order that the River Bend mill might be operated as a 4-machine unit. This mill was built in 1926 and prior to the current year had never operated at capacity; having in fact never operated more than 3 machines at one time. Owing to the increase in the company's business it was necessary to operate all 4 units starting this year. As a result unit costs at this mill have declined considerably.

In discussing the company's investments, Hon. Gordon W. Scott pointed out that there had been a sharp increase in market value. The quoted market value of marketable securities at March 31 last was $3,272,000, as against $874,000 a year ago and $1,548,000 on March 31, 1934. The realizable value of the unlisted securities is unknown, but the receiver states that such values should not be less than $1 million.

Riordon Calls Bonds For 1936 Sinking Fund

From Our Own Correspondent

MONTREAL.—Riordon Pulp and Paper Co. has called by lot $83,000 par value of its 6% first mortgage bonds on account of sinking fund, redemption to be made December 31 next at 105 and accrued interest. At the end of last year Riordon had outstanding $635,800, so that the current redemption will reduce the debt to $552,800.

St. John River Storage Assessed Flood Damages

From Our Own Correspondent

MONTREAL. — St. John River Storage Co., subsidiary of Gatineau Power formed to construct the Temiscouata storage dam on the St. John River, has been ordered by the Quebec Public Service Commission to pay $2,753 covering claims by property owners for damages caused by rising water levels in the Madawaska River. Total claims had been $21,350.

CANADA'S GROWTH

Canada's greatness is the result of generations of growth. By safeguarding savings, by promoting confidence, by stimulating construction, by encouraging thrift, the Canada Permanent Mortgage Corporation has contributed to Canada's sturdy growth for more than 81 years.

FOUNDED 1855

CANADA PERMANENT
Mortgage Corporation

HEAD OFFICE: 320 BAY ST., TORONTO
ASSETS EXCEED $69,000,000

Burdened With Responsibilities

It is unfair to your friends or relatives to burden them with the responsibility of managing your Estate. This responsibility placed in the hands of a Trust Company, where an especially trained personnel lends its accumulated knowledge and experience to the management of the Estate, constitutes the greatest safeguards for your heirs.

MONTREAL TRUST COMPANY
61 Yonge St., Toronto

J. F. HOBKIRK, Manager

CHAMPION MORTGAGE
CORPORATION — LIMITED
EDMONTON VANCOUVER
CALGARY VICTORIA
SASKATOON REGINA

Quebec Alters Cutting Rights

New Regulations Designed to Improve Social Conditions

From Our Own Correspondent

MONTREAL.—Payment for cutting rights on Crown Lands in Quebec will be estimated in future by the cubic foot instead of by diameter, according to new regulations laid down by the provincial government.

The new measure applies only to pulp and paper companies and not to sawmills.

This order is expected to mean higher wages for lumberjacks working for companies operating on Crown lands and also will mean greater revenue for the province from cutting operations.

The new regulations also provide that all companies cutting on Crown lands will pay reasonable wages to employees and ensure proper living conditions.

Port Royal Pulp Set To Increase Pulp Mill

From Our Own Correspondent

MONTREAL.—Port Royal Pulp & Paper Co., Fairville, N.B., announces that work will start immediately on a new plan for the manufacture of a fine quality pulp. The new development will be completed by the beginning of next year, and will step up production from 85 to 125 tons a day, or an increase in the annual production from 25,500 to 38,000 tons.

In the enlargement of the plant, $50,000 will be spent on labor, about $40,000 for building materials, and a large sum will go into machinery of the most modern type.

Suggestions for October Investment

OUR October booklet containing a diversified list of Dominion, Provincial, Municipal and Corporation Securities is now ready for mailing.

Also included is an article commenting on the improvement which is taking place in general business conditions throughout the Dominion.

We shall be glad to send you a copy on request.

Write or telephone WAverley 3681

DOMINION SECURITIES CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

New Sugar Industry Mooted

Four different groups are competing for establishment of a beet sugar refinery in Manitoba this year.

The Manitoba government is reported to have offered to guarantee bonds of a company up to $600,000 on a $1,500,000 project.

THE ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
Established 1870
DEPOSITS ACCEPTED DEBENTURES ISSUED
Mortgage loans on owners' homes at low rates of interest
Capital (Fully Paid), $2,000,000 Reserve Fund, $2,400,000

BRITISH COLUMBIA POWER CORPORATION LIMITED

and Subsidiaries

OFFICERS

W. G. Murrin............*President* A. T. Goward.... *Vice-President*
E. H. Adams, *Vice-Pres. and Treasurer* E. Rogers............*Secretary*

DIRECTORS

E. H. Adams, C. E. Calder, John Davidson, S. Godin, Jr., A. T. Goward, J. H. Gundy, Andrew P. Holt, Sir Herbert Holt, George Kidd, H. R. MacMillan, W. G. Murrin, A. J. Nesbitt, Austin C. Taylor, P. A. Thomson, J. B. Woodyatt

CONSOLIDATED BALANCE SHEET

as at June 30th, 1936

ASSETS

Current and Working Assets:		
Cash at Bank	$1,102,784.18	
Accounts Receivable	1,686,357.77	
Insurance Unexpired and Prepaid Items	142,269.61	
Employees' Housing Loans, Mortgages, etc.	273,826.37	
Stores, Materials and Supplies on hand as determined and certified by responsible officials of the Companies, valued at average cost	1,567,398.84	
		$4,772,636.77
Investments:		
Government Bonds	$1,846,322.32	
Corporation's Own Bonds purchased in anticipation of Sinking Fund requirements	457,983.75	
Corporation's shares purchased by Subsidiaries for re-sale to customers and employees	812,234.00	
Sundry Investments	10,855.00	
(Market Value, June 30, 1936—$3,123,973.27)	$3,127,395.07	
City of Vancouver 3% Instalment Debentures and Greater Vancouver Water District 4% Debentures—at cost	275,000.00	
		3,402,395.07
		$8,175,031.84
Bond Discount—Balance		293,792.00
Property Account:		
Balance at June 30th, 1935, and cost of additions during the year	$139,512,293.50	
Less Provision for Depreciation and Renewals	25,875,868.45	
		113,636,425.05
		$122,105,248.89

LIABILITIES

Current and Accrued Liabilities:		
Accounts Payable	$1,293,437.23	
Reserve for Income and Other Taxes	1,086,620.88	
Debenture and Bond Interest Accrued	494,852.05	
Dividends Declared, since paid	649,600.00	
		$3,524,510.16
Bond Debt		38,611,498.15
Capital Stocks of Subsidiary Companies Held by Public:		
British Columbia Electric Railway Co. Ltd.— 5% Cumulative Perpetual Preference Stock	$6,984,000.00	
British Columbia Electric Power & Gas Co. Ltd.— 6% Cumulative Preference Shares	5,000,000.00	
The Company has the right to redeem these 6% Preference Shares with a premium of 5%, subject to the sanction of the Supreme Court of British Columbia.		
Minority Shareholders of Subsidiary Companies	3,446.25	
		11,987,446.25
Reserves:		
General and Accident		1,376,628.35
Capital:		
Authorized—		
1,500,000 Class A Shares without nominal or par value entitled to non-cumulative preferential dividends aggregating $2.00 per share and equal participation with Class B Shares up to a further $3.00 per share, redeemable any time on resolution of Directors at $100.00 per share.		
1,500,000 Class B Shares without nominal or par value.		
Issued—		
1,000,000 Class A Shares and 1,000,000 Class B Shares issued for a total cash consideration of	$59,250,000.00	
Capital Surplus:		
Surpluses of Subsidiary Companies as at May 19th, 1928, the date of the acquisition of their Capital Stocks by the Corporation	6,115,764.59	
Earned Surplus:		
As per statement	1,239,401.39	
		66,605,165.98
		$122,105,248.89

Approved on behalf of the Board { W. G. MURRIN, Director. GEORGE KIDD, Director.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have made an examination of the Books and Accounts of the British Columbia Power Corporation Limited, and its Subsidiary Companies for the year ending June 30th, 1936, and have obtained all the information and explanations which we have required. The Property Account is stated in a similar manner to previous years which, however, does not conform to Section 112 of the Dominion Companies Act 1934, which requires fuller information. This matter is referred to in the accompanying Report of the Directors in connection with the appraisal of the properties. Subject thereto we report that, in our opinion, the above Balance Sheet at June 30th, 1936, is properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Corporation and its Subsidiary Companies, according to the best of our information and the explanations given to us and as shown by the books of the Companies.

PRICE, WATERHOUSE & CO., Chartered Accountants.

Vancouver, B.C., August 15th, 1936.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND EARNED SURPLUS ACCOUNT

for the year ended June 30th, 1936

Gross Revenue from Operations	$13,828,448.33	
Income from Investments	122,507.90	
		$13,950,956.23
Deduct—		
Operating Expenses, including Municipal Taxes	$6,674,517.04	
Legal Fees and Executive Remuneration	88,351.21	
Directors' Fees	19,135.00	
Provision for Accidents	120,883.72	
Provision for Depreciation and Renewals	1,842,295.12	
Provision for Income Taxes	891,169.14	
		9,636,021.23
		$4,314,935.00
Deduct—		
Interest on Bond Debt	$1,828,014.06	
Proportion of Bond Discount written off	12,414.00	
Cost of Exchange	59,932.38	
Appraisal Expense written off	123,432.68	
		2,023,793.12
Net Profit for the year		$2,291,141.88
Deduct—		
Dividends on Preference Stocks of Subsidiary Companies—		
5% Cumulative Perpetual Preference Stock	$349,200.00	
6% Cumulative Preference Shares	300,000.00	
		649,200.00
		$1,641,941.88
Deduct—		
Dividends on Class A Shares for the year ended June 30th, 1936		1,550,000.00
		$ 91,941.88
Add—		
Earned Surplus—Balance at June 30th, 1935	$1,219,764.84	
Deduct—		
Provision for Income Taxes relating to periods to June 30th, 1935	72,305.33	
		1,147,459.51
Earned Surplus—Balance at June 30th, 1936		$1,239,401.39

STOCK AND BOND MARKET QUOTATIONS

Government Bonds

September 30, 1936

Dominion of Canada Bonds

Issue	Rate	Due	Bid Sept. 30	Asked Sept. 30	Approx. Yield	Bid Sept. 23
†‡Dominion	5	1 Mar. 1937	101.00	102.00	...	101.65
‡Dominion	5½	1 Dec. 1937	105.50	106.00	.34	105.65
Dominion	2½	15 Oct. 1939	103.75	104.25	1.10	104.00
Dominion	4	15 Oct. 1939	107.50	108.00	1.30	108.00
Dominion	2	15 Nov. 1939	102.00	102.50	1.17	102.60
Dominion	1½	1 June 1940	100.50	101.00	1.21	101.15
Dominion	4½	1 Sept. 1940	110.00	111.00	1.60	111.00
Dominion	1	15 Mar. 1941	98.25	99.00	1.22	98.50
Dominion	5	15 Nov. 1941	113.50	114.25	2.05	115.25
Dominion	3	15 Oct. 1942	105.50	106.25	1.89	106.00
Dominion	2½	1 June 1943	103.00	104.00	1.86	103.75
Dominion	5	15 Oct. 1943	114.50	115.25	2.60	116.25
Dominion	4½	15 Oct. 1944	113.00	114.00	2.56	114.25
■Dominion	2½	15 Aug. '43-45	99.75	100.50	2.42▲	100.50
Dominion	4	15 Oct. '43-45	109.50	110.25	2.41▲	110.65
Dominion	4½	1 Feb. 1946	113.00	114.00	2.78	114.55
Dominion	3½	15 Oct. '44-49	105.25	106.00	2.66▲	106.35
Dominion	4	15 Oct. '47-52	108.75	109.50	3.01▲	109.65
Dominion	3	1 June '50-55	99.75	100.50	2.95▲	101.15
Dominion	4½	1 Nov. '46-56	112.00	113.00	3.04▲	112.85
Dominion	4½	1 Nov. '47-57	112.00	113.00	3.14▲	113.00
Dominion	4½	1 Nov. '48-58	112.25	113.00	3.22▲	113.65
Dominion	4½	1 Nov. '49-59	112.50	113.25	3.27▲	113.90
■Dominion	3¼	15 Jan. '56-61	100.25	102.00	3.11▲	102.65
Dominion	3¼	1 June '56-66	100.50	101.25	3.16▲	102.15
♦Dominion	3	Perp. bonds	95.75	96.50	3.11	96.85
Dominion Guaranteed Bonds						
*G. T. P. Ry.	3	1 Jan. 1962	100.00	101.00	2.94	101.50
Can. N. Ry.	3	1 May 1944	104.00	105.50	2.21	105.00
Can. N. Ry.	3	15 Dec. '45-50	99.25	100.25	2.74▲	101.00
Can. N. Ry.	3	15 Feb. '48-53	99.00	100.25	3.00▲	100.75
*Can. N. Ry.	4½	1 Sept. 1951	114.25	116.00	3.15	116.25
*Can. N. Ry.	4½	1 Feb. 1956	114.75	116.25	3.36	116.75
†Can. N. Ry.	4½	1 July 1957	114.00	115.25	3.46	115.75
*Can. N. Ry.	4¾	15 June 1955	117.50	119.00	3.38	119.00
Can. N. Ry.	5	1 Feb. 1954	118.50	120.00	3.47	119.75
*Can. N. Ry.	5	1 July 1969	117.75	119.00	2.83▲	119.00
*Can. N. Ry.	5	1 Oct. 1969	119.00	120.50	3.35▲	121.00
*M. Harb. C.	5	1 Nov. 1969	120.00	121.50	3.31▲	121.25
Eastern—Provincial Government Bonds						
N. Bruns.	4	1 Sept. 1954	103.50	105.00	3.60	104.50
†N. Bruns.	4½	15 Apr. 1961	110.00	111.75	3.77	111.00
†N. Bruns.	5	15 Jan. 1960	114.00	116.00	3.95	115.75
N. Scotia	3	2 Sept. 1945	101.00	102.25	2.70	101.75
N. Scotia	4½	15 May 1943	109.00	111.00	2.66	110.50
†N. Scotia	4½	15 Sept. '47-52	110.50	112.50	3.14▲	112.00
†N. Scotia	5	1 Mar. 1960	118.00	120.00	3.69	119.25
*Ontario	4	1 June 1962	107.00	109.00	3.47	108.50
*Ontario	4½	1 Sept. 1944	112.00	113.25	2.65	113.00
Ontario	4½	1 June 1950	112.00	113.50	3.28	113.25
*Ontario	4½	15 Jan. 1962	114.50	116.50	3.52	115.00
Ontario	5	15 Oct. 1948	114.50	116.00	3.41	116.25
*Ontario	5	2 Dec. 1960	121.00	123.00	3.58	122.75
Ontario	5½	1 July 1946	116.00	118.00	3.33	118.00
O. H. C.	3½-4-5	1 Oct. '36-52	100.00	101.00	1.49▲	100.25
Ont. Hyd. C.	4¾	1 Jan. 1970	118.50	121.50	3.63	120.25
P. E. I.	3	1 Oct. 1945	100.50	101.50	2.82	100.50
Quebec	4	15 Mar. 1952	108.00	110.00	3.20	109.00
Quebec	4¼	1 Aug. 1958	111.50	113.50	3.37	112.50
Quebec	4½	2 Jan. 1963	113.00	115.00	3.63	114.50
Western—						
Alberta	4	15 Dec. '49-54	52.00	57.00	§	55.00
†Alberta	4	1 Dec., 1957	52.00	57.00	§	57.00
Alberta	4½	1 Oct. 1951	68.00	73.00	§	72.00
†Alberta	4½	1 Oct. 1956	56.00	62.00	§	62.00
†Alberta	5	1 Jan. 1948	57.00	63.00	§	63.00
Alberta	5	1 Sept. 1955	57.00	62.00	§	62.00
*Alberta	5	1 Oct. 1959	57.00	62.00	§	64.00
†Alberta	5½	1 Jan. 1947	60.00	65.00	§	64.00
Alberta	6	1 Mar. 1947	60.00	65.00	§	64.00
†Brit. Col.	4	1 Dec. 1957	87.00	90.00	4.74	87.00
*Brit. Col.	4½	15 Jan. 1951	91.00	93.00	5.18	91.00
†Brit. Col.	4½	1 Oct. 1953	90.00	93.00	5.11	90.00
†Brit. Col.	5	15 Jan. 1948	94.50	96.50	5.41	94.50
Brit. Col.	5	1 Sept. 1953	93.00	95.00	5.45	94.00
Brit. Col.	5½	1 Feb. 1945	94.00	96.00	6.11	95.00
Brit. Col.	6	15 Feb. 1947	96.00	99.00	6.12	99.00
Manitoba	4	2 Jan. 1950	88.00	91.00	4.92	90.00
†Manitoba	4	1 Dec. 1957	88.00	91.00	4.67	91.00
†Manitoba	4½	15 Dec. 1956	94.00	96.00	4.81	97.00
†Manitoba	5	15 June 1954	98.00	100.00	5.00	100.00
*Manitoba	5	2 Dec. 1959	100.00	103.00	4.78	102.00
Manitoba	5½	1 Oct. 1955	97.00	99.00	5.59	99.00
Manitoba	6	1 Apr. 1947	97.50	99.50	6.06	99.00
Sask.	4	15 Aug. 1953	68.00	72.00	6.80	72.00
Sask.	4	1 Nov. '55-60	67.00	70.00	6.80	71.00
*Sask.	4½	2 July 1945	80.00	85.00	6.80	83.00
†Sask.	4½	1 Oct. 1951	79.00	82.00	6.38	82.00
†Sask.	4½	15 Mar. 1960	77.00	79.00	6.21	80.00
Sask.	5	1 Aug. 1958	80.00	83.00	6.45	80.00
†Sask.	5½	15 Nov. 1946	82.00	85.00	7.60	87.00
Sask.	5½	1 Oct. 1952	81.00	84.00	7.20	84.00
Sask.	6	15 Mar. 1952	82.00	85.00	7.66	87.00

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ■Payable N.Y. ‡Exempt from Dominion income tax. ♦Callable on or after Sept. 15, 1966. §Traded flat.

Corporation Bonds

(Supplied by the Investment Dealers Assoc. of Can.)

September 29, 1936

Public Utility Issues:	Int. Rate %	Due	Bid Sept. 29	Asked Sept. 29	Bid Sept. 22
*Ass. Tel. & Tel.	5½	'55	84½	87½	85
‡Avalon 'Phone	5½	'48	101½	..	101½
Beauharnois P.	5	'73	47½	50½	47
*Bell T'phone	5	'55	115	118	115
*Do.	5	'57	..	..	121
†B. C. Power	5	'60	105½	108½	105½
†Do.	5½	'60	106½	109½	106½
†B. C. T'phone	4½	'61	105	108	106
*Calgary Power	5	'60	..	..	97
*Do.	5	'64	..	..	94
†Can. Nor. Pwr.	5	'53	104½	107½	104½
*Dom. Gas. & El.	6½	'45	91	94	89
*Gatineau Pr.	5	'56	100	103	100½
*Do., A	6	'41	97	100	98
*Do., B	6	'41	96	99	97
*Int'l. Hydro	6	'44	..	..	56½
*Int'l. Pwr.	6	'57	96	99	97
†Maclaren-Que.	5½	'61	87½	90½	85
†Do.	5½	'64	85½	88½	84
Maritime T & T	5	'56	..	..	104½
†Mtl. Island Pr.	5½	'57	105	108	105
†Mtl. L. H. & Pr.	3½	'56	103	106	103½
†Montl. Tram.	4½	'55	..	..	79½
†Do.	5	'41	102½	105½	102
†Do.	5	'55	85½	88½	85½
Nfld. L. & P.	4½	'56	100	103	100
Nat'l. L. & P.	6	'49	100	103	100
†N.S. L. & P.	5	'58	105½	108½	105½
Do.	5	'65	102½	105½	102½
†Ottawa Light	5	'57	108	111	108
†Ottawa Tract.	5½	'55	102	105	102
†Ottawa Val. Pr.	5½	'70	69	72	..
†Power Corp.	4½	'59	99	102	99½
*Quebec Pr.	5	'68	..	..	105½
Saguenay Pr.	4½	'66	..	..	104
†Shawinigan	4	'61	99	102	99
†Do.	4½	'70	104	107	105
†South. Can. Pr.	5	'55	105	108	105
†United Secs.	5½	'52	85	88	85
†West. Pwr. Co.	5	'49	..	..	105½
*Winnipeg Elec.	4½	'60	104	107	104
Do., A	4	'65	76	79	75½
Do., B	4	'65	63	66	59½
Industrial & Realty Issues:					
†Abitibi Pwr.	5	'53	65	68	58
Acadia Sugar	4½	'55	102	105	102
†Alta. Pac. Gr.	6	'46	94½	97½	93½
Asbestos Corp.	6	'41	108	..	..
B. A. Oil	4	'45	103½	106½	103½
Can. Bread	6½	'41	109	112	109
†Can. Cement	4½	'51	101	104	101
†Can. Ss. Lines	6	'41	58	61	47½
Can. Canners	4	'51	100	103	100
Can. Bakeries	6½	'45	93½	96½	93½
*Can. Int. Paper	6	'49	94½	97½	93
C. P. R.	3½	'51	95½	98½	96
Do.	4	'49	101	104	102
Do.	4½	'44	101½	104½	101
Do.	4	perp	95½	96½	96
†Can. Vickers	6	'47	97	100	98
†Cons. Paper	5½	'61	59	62	52½
*Dom. Coal	6½	'55	..	..	101
Dom. Sq. Corp.	6	'48	59	..	59
‡Dom. S. & C.	6½	'55	65	68	66½
†Dom. Tar	4½	'51	99	102	99½
Dom. Textile	4½	'55	105½	..	105½
†Donnacona P.	5½	'48	81½	84½	75½
†Fam. Players	4½	'51	99	102	99
†Federal Grain	6	'49	97	100	96½
†Fraser Cos.	6	'50	103	106	103½
†G. Steel Wares	6	'52	103½	106½	105
*Gt. Lakes Pap.	5	'55	75½	78½	74
†Gypsum, Lime	5½	'48	102	105	102
†Gr. Br. & Can. Inv.	4½	'59	84	87	83½
Ham. Cottons	5½	'48	103	..	103½
*Ham. B.-P. C.	5	'50	101	104	101
*Hinde & Dauch	5½	'48	103	..	103½
†Int. P. & P., N.	4½	'68	102	105	102
Inter. City Bak.	5½	'48	..	..	104
Inter-City W. B.	6½	'50	51	54	48
†Kingston Elev.	6	'50	89½	92½	87
†Lake St. John P. & P.	6½	'47	114	117	113
†Do.	6	'42	87	90	79½
†Lon. Can. Inv.	4½	'48	93	96	92
†Maple Leaf M.	5½	'49	75	78	76
†Massey Harris	5	'47	90	93	89
†McColl-Front.	6	'49	106½	109½	107
†Mercury Mills	5½	'53	74	77	72
†Mersey Paper	6	'49	97	100	97
*M. & O. Paper	6	'45	46½	49½	40½
Mont. D. Docks	6	'48	88	91	88½
Nat. Grocers	4	'36-47	102	..	102

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

September 29, 1936

Industrial Stocks:	Bid	Asked
Acadia Sugar, com.	4.20	[illegible]
Do., pfd.	4.90	[illegible]
Acme Farmers Dairy, pfd.	43.00	[illegible]
Algoma Steel, new pfd.	46.00	[illegible]
Andian National	45.00	[illegible]
Assoc. Tel. & Tel., pfd.	50.00	[illegible]
B. C. Pulp & Paper, pfd.	11.00	[illegible]
Burns & Co., A	8.00	[illegible]
Do., B	5.75	[illegible]
Canada & Dom. Sugar	59.50	[illegible]
Canada Starch, com.	11.00	...
Canada Starch, pfd.	91.00	...
Canada Tea, pfd.	32.00	...
Can. Tube, 1st pfd.	55.00	...
Can. Wire & Cable, pfd.	115.00	[illegible]
Can. Industries, A com.	221.00	[illegible]
Do., B com.	221.00	[illegible]
Do., pfd.	163.00	[illegible]
Can. Ingersoll Rand	122.00	[illegible]
Can. Westinghouse	62.00	[illegible]
Chase, A. W., pfd. bonus	23.00	[illegible]
Conduits Nat., new com.	2.25	[illegible]
Dom. Found. & Steel, com.	55.00	...
Do., pfd.	96.00	[illegible]
Dominion Rubber, pref.	99.00	...
Dunlop Tire, pfd.	80.00	[illegible]
Eastern Dairies, pfd.	8.00	[illegible]
Edm. City Dairy, pfd.	60.00	...
Do., com.	1.35	[illegible]
Federal Grain, pfd.	47.00	[illegible]
Goderich Elevator	7.75	[illegible]
Great Lakes Paper, pfd.	8.00	[illegible]
Greening Wire, pfd.	106.00	...
Guelph Carpet, pfd.	108.00	[illegible]
Do., com.	18.50	[illegible]
Hayes Steel Prod., com.	1.00	...
Highland Dairy, com.	2.00	[illegible]
Do., pfd.	82.00	[illegible]
Inter City Bak., com.	34.00	...
Inter. Met. Indust., A pfd.	59.00	[illegible]
McLaren Power & pap., com.	15.50	[illegible]
N. Meth. Laund., pfd. bonus	79.00	[illegible]
Provincial Paper, pfd.	105.00	[illegible]
Reliance Grain, com.	4.10	[illegible]
Do., pfd.	90.00	[illegible]
Rob. Consol. Cone	9.50	[illegible]
Ruddy, E. L., pfd.	37.00	[illegible]
Silverwood's Dairies, pfd.	55.00	...
Stand. Fuel, pfd. bonus	107.00	[illegible]
Supertest Petrol., B pfd.	26.50	[illegible]
Toronto Carpet, pfd.	40.00	...
United Steel, A pfd.	...	[illegible]
Western Grain, pfd. bonus	...	[illegible]
Willards Chocolates, pfd.	20.00	[illegible]
Trust & Loan Stocks:		
Chartered Trust X.D.	83.00	[illegible]
Guelph Ont. Inv., par $50	48.00	[illegible]
London & West. Trust	53.00	[illegible]
Premier Trust	97.00	[illegible]
Prudential Trust	3.25	...
Sterling Trust	30.00	[illegible]
Traders Fin. Inc. Rts.	9.75	...
Traders Fin., B pfd. bonus	64.00	...
Trusts & Guarantee	30.50	[illegible]
Waterloo Trusts	99.00	...
Insurance Stocks:		
British America	40.00	...
Canada Life	521.00	[illegible]
Canada Fire	75.00	[illegible]
Canadian Ins. Shares	12.00	[illegible]
Confed. Life 20% pd.	114.00	[illegible]
Cont. Life 20% pd.	39.00	[illegible]
Crown Life	161.00	...
Dominion Fire	121.00	[illegible]
Dominion Life 50% pd.	266.00	[illegible]
Dom. of Can. Gen.	123.00	[illegible]
Empire Life 25% pd.	7.50	[illegible]
Excelsior Life 30% pd.	69.00	[illegible]
Federal Fire 25% pd.	39.00	...
Fidelity Ins. of Can.	46.00	...
Great West Life	381.00	[illegible]
Guar. of N. A. fully pd.	290.00	[illegible]
Halifax Fire	24.00	[illegible]
Imperial Life	350.00	...
Manufacturers Life	240.00	[illegible]
Monarch Life 10% pd.	20.00	[illegible]
National Life 25% pd.	...	[illegible]
Sovereign Life 25% pd.	16.00	[illegible]
Sun Life	455.00	[illegible]
Toronto General	4.50	[illegible]
Western Assurance, com.	45.00	[illegible]
Do., pfd.	41.00	[illegible]
Theatre Stocks:		
Allens Beach, pfd.	64.00	[illegible]

Selective Immigration Said Essential for West

Says Success of British Land Settlement Involves Friendly Supervision — Land Selection Considered Vital

Four basic principles — selected people, well chosen lands, low financing rates and friendly supervision — are essential to successful development of British land settlement in Saskatchewan, declared Manley Champlin, senior professor of Field Husbandry, University of Saskatchewan, at the Saskatchewan Immigration and Settlement Convention held recently in Saskatoon.

Highlights of Professor Champlin's address follow:

By DR. MANLEY CHAMPLIN

At a time immediately following the worst drought in the history of North America, a stout heart and a courageous head are needed to carry on plans and purposes that seemed so good a few years ago.

Nevertheless, we have but 2 alternatives; one to surrender to adverse conditions and the other to carry on in the hope that victory will crown our efforts and that nature will again smile on our land.

If we take the latter course, no project is more appealing than reestablishment of British immigration into Canada.

In furthering this movement of people from the Mother Country to this Dominion, it is only in keeping with modern trends that we should make certain the settlers should have every opportunity to succeed in their new homes.

Basic Principles

Certain principles should be adhered to in carrying out a successful migration policy within the Empire and establishment of permanent, self supporting homes by new settlers. These principles include:

Selection of those who have a reasonable chance to succeed.

Provision of adequate financial assistance at rates of interest sufficiently low to enable the immigrant to pay without undue hardship.

Careful selection of farms with due reference to soil, location and rainfall records.

Suitable organization so that adequate instruction and supervision can be provided.

Selection of Risks

Local committees in the communities from which settlers are to come in the Old Land are in far better position to make proper selection than anyone could be, no matter how skilful, if sent over from this country. Old friends and neighbors will know something of the health history or hardiness of the families concerned. They will also know a great deal about their industry and willingness to learn and to work.

Various localities in the Old Country should have a financial stake in the venture and it will then be to their own interest to use the greatest of care in their selection of those who are to come out. They know it is useless to send people whose health or natural ability is such as to ensure failure.

Choice of Lands

There are too many instances where people have been allowed to settle on land that is utterly unsuitable, where they not only break their own hearts, but may actually be ruining a fair section of forest or range land, creating miniature deserts, that tend always to spread to good land.

An abundance of good land exists in Saskatchewan and the neighboring provinces. Much of this is literally crying for intelligently directed labor. It is not necessary at all to work the poorer soils which should be reserved for forest, recreation or range purposes.

Well selected lands will prevent such mistakes. This is one of the cardinal prerequisites to successful land settlement, under modern conditions, no matter from whence the settlers come.

Adequate Financing

Having secured ambitious settlers and placed them on well chosen lands, the next consideration is adequate buildings and equipment and sufficient funds to maintain the family without hardship until such time as the first farm income is available.

It is also important that interest rates be moderate enough so that the newcomer can make annual payments to reduce the principal sum and not be completely absorbed by the payment of interest. Or if the land is rented to the new settler the terms of rental should be such that he has a fair chance to save money with a view to later ownership.

Equipment required will vary, according to the size of the farm and the type of farming to be followed. All equipment need not be acquired at one time and many savings can be made by the use of the larger type of machines on a co-operative or customs basis. Transfer of machinery, advice as to time and kind of equipment to purchase and similar matters can be handled by competent supervisors.

Some of the best farmers in this province, at the present time, are city bred. They have succeeded at the difficult profession of farming partly because of their native ability but also because they were willing to learn. They had no preconceived notions to unlearn and no prejudices to overcome. They were always on the lookout for advice and instruction and were not slow to make use of the information obtained. The result of this mental attitude is that they are now leaders in many phases of agricultural affairs in Saskatchewan.

Something similar can be provided for the British immigrants under the settlement scheme.

System of friendly instruction, advice and supervision free from dictation or bossing can be provided without too great a cost. In fact, it would be much more costly to omit it.

If the supervisor in a given district proves to be of the bossy, unfriendly type, he can be eliminated quickly and replaced by a man who can get results in a manner suitable to the ideals of a free and democratic country.

Basic Guides

These 4 principles are basic in successful land settlement: Selected people, well chosen lands, adequate low rate financing, and friendly supervision.

With these provided in the present plan for British land settlement in Canada, success for the majority should be assured and failures reduced to that unfortunate few, who through ill health or other causes, beyond human control, are forced to give up the struggle. For those few, repatriation rather than deportation should be provided.

Manitoba Gets Industries

A total of 21 new industries has been established and 30 new lines added by established industries in Manitoba since January. Manitoba's industrial output this year is up from 10% to 15% over last year and industrial employment is steadily increasing.

DIVIDEND NOTICES

IMPERIAL BANK OF CANADA

Dividend No. 185

Notice is hereby given that a Dividend of two and one half per cent (2½%) has been declared for the quarter ending the 31st October, 1936, payable at the Head Office and Branches on and after Monday, the Second day of November next, to shareholders of record of 30th September, 1936.

By order of the Board.

A. E. PHIPPS,
General Manager.

Toronto, 23rd September, 1936.

Penmans Limited

Dividend Notice

NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 31st day of October, 1936.

On the Preferred Stock, one and one-half per cent. (1½%), payable on the 2nd day of November to Shareholders of record of the 21st day of October, 1936.

On the Common Stock, Seventy-five Cents (75c.) per share, payable on the 16th day of November to Shareholders of record of the 5th day of November, 1936.

By Order of the Board,
Montreal, September 25, 1936. C. B. Robinson, Secretary-Treasurer.

Canadian Bronze Company Limited

DIVIDEND NOTICE.

THE quarterly dividend of 1¼% on the PREFERRED STOCK of CANADIAN BRONZE COMPANY, LIMITED, has been declared payable the 2nd day of November, 1936, to Stockholders of record as of the 20th day of October, 1936.

Also a quarterly dividend of Twenty-Five (25c) Cents per Share has been declared on the present outstanding COMMON STOCK of CANADIAN BRONZE COMPANY, LIMITED, for the three months ending October 31st, 1936. Payable the 2nd day of November, 1936, to Stockholders of record as of the 20th day of October, 1936.

By Order of the Board,
W. C. PAQUETTE,
Secretary.
Montreal, P.Q., September 25th, 1936.

DIVIDEND NOTICES

The Steel Company of Canada Limited

Preference Dividend No. 101

Notice is hereby given that a dividend of forty-three and three-quarters cents (43¾c.) per share on the preference shares of the Company has been declared for the quarter ending September 30th, 1936, payable November 2nd, 1936, to shareholders of record at the close of business October 7th, 1936.

By Order of the Board,
Hamilton, Ontario, September 23, 1936. H. S. ALEXANDER, Secretary.

The Steel Company of Canada Limited

Ordinary Dividend No. 79

Notice is hereby given that a dividend of forty-three and three-quarters. cents (43¾c.) per share on the ordinary shares of the Company has been declared for the quarter ending September 30th, 1936, payable November 2nd, 1936, to shareholders of record at the close of business October 7th, 1936.

By Order of the Board,
Hamilton, Ontario, September 23, 1936. H. S. ALEXANDER, Secretary.

A. J. Pattison, Jr. & Co. Limited

Established 1907

For twenty-nine years we have rendered a Standardized Service to BANKS, INSURANCE AND TRUST COMPANIES, BROKERS, INDUSTRIAL CORPORATIONS AND INDIVIDUALS IN BUYING AND SELLING INDUSTRIAL AND PUBLIC UTILITY STOCKS AND BONDS

Royal Bank EL. 5101 TORONTO

Saskatchewan Farm Debt Cut $75 Millions

Claims of Mortgage Companies Improved by Scheme

GENERAL ACCEPTANCE

General acceptance of the Saskatchewan voluntary debt adjustment scheme by the leading lending institutions, such as mortgage and insurance companies, is assured, The Financial Post is informed.

Last week's issue of The Financial Post carried exclusively the first announcement regarding this plan of voluntary debt adjustment.

The scheme as outlined by Premier W. J. Patterson providing for the writing off of $75 millions of farm indebtedness in Saskatchewan is not binding upon the mortgage companies.

It has taken several months of negotiation to complete the plan, which is an elaboration of earlier debt adjustment arrangements in the province.

Recommendation Only

The agreement with the Dominion Mortgage and Investments Association merely provides that the association will recommend its adoption to its members who have already approved the scheme in principal. Lending institutions not members of the Dominion Mortgage and Investments Association are expected to co-operate by also accepting the arrangement.

While no provision is made for the writing down of mortgage debts held by individuals no difficulty in this direction is expected. Many individual holders of mortgages are expected to accept the write-off provided by the scheme. Where individual mortgagees refuse to fall into line, the case will be settled by the Debt Adjustment Board or under Farmers' Creditors Arrangement Act. Decisions of these debt adjusting bodies, will, it is expected, be in line with the principle of the voluntary adjustment scheme.

Benefits Lending Companies

The adjustment, as is indicated by its voluntary nature, is welcomed by the lending institutions. While it will result in a considerable reduction in the face value of their claims, the standing of their claims will be substantially improved since they obtain better security. Prior liens such as taxes and seed grain loans owing to the government are largely wiped out so that early resumption of payments to the mortgagee is assured.

Government Write-off Large

While the total amount written off farm indebtedness is $75 millions, not all of this is being absorbed by the mortgage companies. In fact, a large portion of the total will consist of write-offs agreed to by the federal, provincial and municipal governments. While no definite announcement has been made it has been estimated that the portion of loans wiped out by the Federal government will total about $28 millions.

As would be expected the drought area in southern Saskatchewan has obtained much greater concessions than the rest of the province. For the purpose of the scheme the province has been divided into 3 areas. One area comprising 158 rural municipalities and local improvement districts has been established as the drought area. A secondary or marginal area of 18 rural municipalities has been outlined and the third area comprises the rest of the province.

Save $4 Millions Interest

One concession of general application to the entire province is the reduction in interest rates on outstanding mortgages to 6% starting Jan. 1, 1937. It is estimated by Premier Patterson that this will result in a saving to the farmers of the province of $4 millions annually.

In the drought area, in addition to the reduction in interest, all unpaid interest accumulated to Jan. 1, 1935, will be cancelled and the amount owing on mortgages in that area at Jan. 1, 1937, will be the principal amount of the mortgage together with interest due for 1935 and 1936. Payment of this amount is to be spread out over 10 years. Five per cent of the principal is to be payable annually, with the remainder due in the tenth year. During the first 3 years, payment of principal and interest will be secured by one-third share crop agreement.

Government Concessions

Even more important are the concessions made by the Provincial and Federal government. Provision is made by both Governments for cancellation of all relief and seed grain debts of rural relief recipients prior to Jan. 1, 1935, and advanced during the last 15 years. Taxes at Jan. 1, 1937, will be reduced to the approximate average for the past 2 years and the provincial government cancels all arrears of public revenue tax to Jan. 1, 1935.

In some municipalities the cancellation of tax arrears may create a serious problem. With this in view the local government board is to be empowered to adjust debt due by rural municipalities to school districts and telephone companies. Where debts to banks have been guaranteed by the province, the guarantee will be implemented by the province.

In connection with the marginal area, the municipal unit voluntary adjustment board will continue to carry on adjustment work in these municipalities and will provide adjustment in relief, seed grain loan, interest and taxes.

In the rest of the province the interest rate on all farm mortgages will be reduced to 6% as from Jan. 1, 1937. In this area the companies have agreed to contact borrowers to reduce the rate and where the accumulation of interest is caused by crop failures, or other causes outside the borrower's control, the companies will make such adjustment as the merits of each case warrant. These mortgages will still be subject to existing debt adjustment legislation.

As regards urban mortgages no general plan has been agreed to and these remain subject to the existing Debt Adjustment Act.

Week in Wheat

Currency Uncertainties Unsettle Wheat Prices

Winnipeg Exporters Lack Offering Basis — Three-Cent Spread Remains — Nervous Market Also Reflects Southern Crop Outlook

From Our Own Correspondent

WINNIPEG.—Action of the wheat market early this week was surprisingly reassuring in view of difficulties arising out of the international currency situation.

Export business was practically impossible for a time as exporters, lacking any reliable quotations on exchange, were without a satisfactory basis on which to make offerings.

In part that trouble was ironed out and a fair trade with Great Britain was done, although business with continental countries was still out of the question. The decline of sterling in terms of the Canadian dollar has made a difference of approximately 3 cents a bushel to wheat which must be taken up either by an advance in British prices or a decline in Canadian prices with the adjustment still in question.

Liverpool weakened on reports of rain both in Argentina and Australia and subsequently strengthened when both countries reported rains had been inadequate.

With Chicago prices lagging behind Liverpool there has been a slowing up of takings of Canadian wheat by U. S. mills.

A nervous market is indicated as stress of opinion fluctuates between the importance of the currency situation and developments of the southern hemisphere crop. The fundamental condition seems to have gained strength, however, with the European crop definitely smaller than was expected a month or so ago and with the gradual consumption of world surplus stocks.

Heavy Lake Shipments

LAKE freight rates have advanced slightly, but only to a 4 cent basis, Fort William to Montreal, against a 3½ cent basis recently in effect.

The advance has been caused by heavy shipping down the lakes, not only of wheat but also of barley.

But competition of vessels has been sufficient to keep the advance from going further. It is apparent that the quantity of wheat which remains to be shipped east next spring will be comparatively small, and vessel owners would rather do business at a low rate this fall than run the risk of having to accept a still lower rate in the spring.

Buffalo is getting a preponderant share of the wheat shipped from the head of the lakes. But nearly 500,000 bushels of last week's shipments went to Duluth, mainly for the use of Minneapolis mills. Of the barley shipped last week from the head of the lakes, to a total of about 1½ million bushels, approximately a third went to Buffalo, while about one million bushels went to Duluth, Milwaukee or Chicago.

* * *

U. S. Takes Barley

DEMAND for malting barley, bringing its price well over the dollar mark, has continued strong. Export trade with the United States must be given full credit for this, for British buyers have been backing away completely from Canadian malting barley, unwilling to meet the competition of buyers from south of the border. There has been an occasional interruption of the southern demand, but for the most part the southerners are insistent buyers, much more concerned about their ability to get the grain they want than about its price.

Of the barley produced this year an extraordinarily high percentage has been graded malting quality Farmers are now taking much more care both in seeding and harvesting. But this year's high grading is also largely attributable to the weather. Heat and drought that resulted in the total crop being small, also resulted in an unusually high percentage of the grain being of high grade.

* * *

Crop Scares

CROP scares over conditions in Australia and Argentina are not unlikely to be features of the wheat market during October.

In both those countries wheat is now entering a critical period, in which weather conditions are likely to have a definite effect on the outturn. In each country, because of the long growing season, seeding time can be extended over several months, instead of being concentrated within a few weeks as is the case in Western Canada.

If early conditions are adverse their effects are rather easily overcome by an improvement later. But by the time October comes, the period for possible recovery is cut down, and the crop has attained a state of maturity when permanent damage can be done.

Both in Australia and in Argentina early conditions were favorable for wheat, although in each the seeding season was prolonged, by too much rain in Argentina, and by too little rain in Australia. Lately dry weather has caused apprehension in each country, although not to an important extent. Conditions in each country are now being watched so narrowly that any unfavorable weather is likely to receive a great deal of attention, with some exaggeration possible of the effects to be expected.

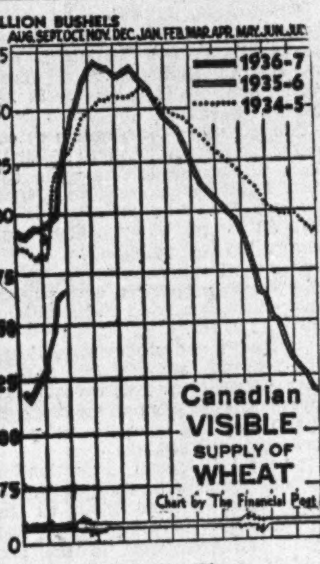
* * *

Price Spreads

SPREADS between prices of different grades of wheat this year are extraordinarily narrow according to standards of almost any previous year. No. 4 wheat for example is worth only 7 cents a bushel less than No. 1 northern and No. 6 wheat is at a discount of only about 14 cents.

The observer is tempted to ask how millers can afford to pay 93 to 94% as much for No. 4 wheat as for No. 1 northern when in the past the former grade was usually considered to be worth less than the latter by a margin usually in the neighborhood of 15%. The lower grades of wheat may produce flour equal to the higher grades, but usually the flour is somewhat inferior. But the principal difference as a rule is that the lower grades do not produce as much flour per bushel of wheat as do the higher grades, more of their substance going in bran and shorts.

The answer to the present price situation lies in the current scarcity of feed grains, which proportionately to usual conditions are much higher priced than wheat. The result is that bran and shorts are much higher in price proportionately to flour, and consequently the miller's loss from that part of wheat which goes into these products is much less than usual.



NEARING PEAK

Country deliveries for the new crop year to date (Aug. 1-Sept. 25), according to Sanford Evans, amounted to almost 98 millions of bushels or almost half the estimated Western wheat crop this year. For the corresponding period a year ago deliveries amounted to about 80.5 millions. This big delivery plus the fact that weekly deliveries are now running behind a year ago would indicate that the heavy season of marketing is nearing an end. Another month will see the bulk of the crop well out of farmers' hands.

Visible is now climbing more slowly and with weekly clearances averaging close to 5 million bushels the forward climb of wheat in marketable positions may soon cease. As country marketing eases off, it is expected that the Wheat Board will increase selling activities. But with a carryover at the end of the last crop year of not much more than 100 millions and some considerable selling from this store since, complete liquidation of Canada's surplus wheat should not take very long.

Details of visible and weekly clearances in bushels are as follows:

	Week of Sept. 25	Last Week	Last Year
Canadian Visible	162,146,000	161,356,000	234,200,000
Export Clearances*	5,094,252	4,304,102	4,186,380

*Plus U. S. imports.

French Crisis Minor Effect Wheat Mart

Weakness of Pound Offset by Higher British Prices

MAY CUT DUTIES

From Our Own Correspondent

WINNIPEG. — Market observers are busy trying to calculate the effects that have occurred and that may be expected from devaluation of the French franc. It is believed that the event must have been presaged to some extent in the market, and that its accomplishment must have further results. But, in any case, the crisis is considered a minor and not a major affair in so far as wheat is concerned.

Prior to the actual event the pound sterling was gaining in strength, not only in comparison with the franc, but also in relation to Canadian and United States dollars. British wheat prices, when translated into Canadian currency, were consequently stronger on that account.

Pound Weaker But Wheat Up

When definite action was taken in France the pound sterling began to weaken, which tended to a somewhat lower level of wheat prices expressed in Canadian currency. But at the same time British wheat prices, expressed in sterling, began to get stronger. Possibly this was a result of a lower value for sterling currency, but it seems to have been due rather to other forces at work in the market.

A flight of capital from the franc was noticeable prior to devaluation, as indicated by gold movements. A natural accompaniment of this movement would be investment of funds either in securities or in commodities, in other countries than France. Whether or not that actually occurred in the wheat market to any important extent it is difficult to determine.

Some Buying

There has been some large scale buying, both in Liverpool and in Canada, which might have been attributed to such a cause, but after all the total extent of forward buying does not seem to have been greater than would have been justified by conditions relating solely to wheat. To whatever extent it did occur, a corresponding check in buying, once devaluation became an accomplished fact, might be expected.

Devaluation of the franc means higher internal prices in France, presumably with a restriction of purchasing power which would make it still more difficult for purchases of imported wheat to be made unless (as is expected) tariffs are reduced and adjusted to the new levels.

Favorable Factors

However, The Financial Post understands that negotiations are already under way to increase the quotas and lower the duties on foreign wheat imports into France, along with other foodstuffs in an effort to reduce the cost of living. Such a move, of course, would prove of very real benefit to Canadian exporters.

Moreover, any impetus to general world trade, and the recent French move is interpreted as meaning more trade, will, it is felt, indirectly benefit wheat along with all other Canadian exports.

Murray Justified

From Our Own Correspondent

OTTAWA.—Further justification of the wheat policy adopted by the Government in the appointment of a board headed by J. R. Murray with instructions to sell freely at world levels is seen here in the effects of the French devaluation on sterling exchange.

For a long time Canadian wheat producers have been getting the benefit of a substantially appreciated pound. It is pointed out that a quotation of $5.06 for the pound means something like 4 cents a bushel extra for the western wheat grower. Many millions of bushels of wheat have been sold with this premium in effect.

Had France left the gold standard, and the pound fallen sharply as a result during the period when stocks of wheat were still abnormally heavy, the effect on the wheat market would have been quite serious here for a time, it is claimed. But the policy of selling wheat freely at world prices had resulted in disposal of abnormal stocks and a reversal from a buyers' market to a moderate sellers' market, and when the adjustment came, the stock was negligible.

Harbor of Sorel Loses Advantage

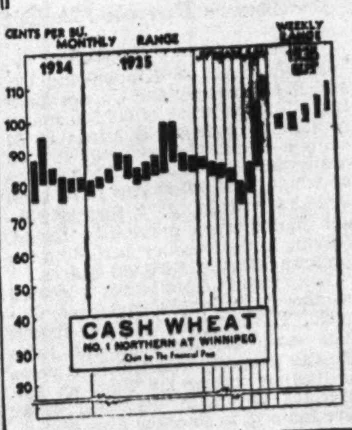
National Board Administration and Same Charges As Other Ports

Sorel harbor charges have been placed on the same basis as those of Montreal, Three Rivers and Quebec, it is announced by Hon. C. D. Howe, minister of transport. The harbor was transferred on Oct. 1 from the marine department to the national harbor board which is already in charge of the other 3 St. Lawrence ports mentioned.

As outlined recently in The Financial Post, Sorel enjoyed a big advantage over the other ports because of the absence of wharfage charges.

Harbors at the latter points are government-owned and administered and carry regular charges, whereas the one at Sorel while government-owned has been leased at a low rate to a private company and administered locally.

Wheat Prices



(Cash Quotations)

At Winnipeg:	For Week Sept. 29 High $	For Week Sept. 29 Low $	Prev. Week High $	Prev. Week Low $
1 Man. Hard	1.11¾	1.07⅜	1.10	1.05⅛
1 Northern	1.11⅝	1.07⅜	1.09½	1.05¼
2 Northern	1.09⅜	1.05¾	1.08	1.03⅜
3 Northern	1.07¼	1.03	1.05½	1.01⅛
4 Northern	1.05	1.00½	1.03¾	.99⅛
5 Wheat	1.01½	.96½	1.00¼	.96⅛
6 Wheat	.99½	.93	.98¼	.94⅛
Feed Wheat	.85½	.81	.84¼	.81⅛
Vancouver: Week to Sept. 28:				
1 Northern	1.09½	1.05½	1.08	1.02½

Competitive Export Prices: (Sept.) shipment.

Week to Sept. 26	High	Low
No. 1 North. (Vanc.)	1.27½	1.22½
No. 3 North. (Atlan.)	1.25½	1.21¾
No. 2 North. (Vanc.)	1.25⅞	1.21⅜
Jugoslavian	1.11⅜	1.08¾
Australian	1.30¾	1.25⅝
Western Australian*	1.30¼	1.25⅝
Argentine Rosafe†	1.11⅜	1.08¾
Indian (choice Karachi)	1.28⅝	1.21¾

†January. *Afloat.

Winnipeg Grain Futures

Week to Sept. 29, 1936

Crop year from Aug. 1, 1936 High	Crop year from Aug. 1, 1936 Low		Open Sept. 23	High for week	Low for week	Close Sept. 29
		Wheat				
1.12¼	.94⅝	Oct.	1.11½	1.12¼	1.07⅜	1.07¼
1.12¼	1.07⅛	Nov.	.....	1.12¼	1.07½	1.07⅜
1.10½	.93½	Dec.	1.09½	1.10½	1.03⅛	1.05½
1.12½	.95½	May	1.11¾	1.12½	1.07	1.07
		Oats				
.49¾	.41⅛	Oct.	.46⅝	.47⅛	.44⅜	.44⅝
.46⅞	.44⅞	Nov.	.....	.46⅞	.44⅛	.45⅜
.48¼	.41¼	Dec.	.46½	.46½	.43⅜	.43⅜
.48¾	.42¼	May	.47⅝	.47⅝	.44¾	.45⅜
		Barley				
.68	.51½	Oct.	.64⅛	.68	.60⅝	.60⅝
.63¼	.60¾	Nov.	.....	.63¼	.60¾	.60¾
.63¼	.50¼	Dec.	.61	.63¼	.58⅝	.58⅝
.61⅞	.50⅝	May	.60¾	.61⅞	.57⅞	.57⅞
		Flax				
1.90½	1.64⅛	Oct.	1.80½	1.72	1.64⅛	1.64⅛
1.88	1.63	Dec.	1.69	1.72	1.63½	1.68⅛
1.75¾	1.65¾	May	1.73½	1.75¾	1.67	1.67⅜
		Rye				
.72	.62	Oct.	.70⅜	.72	.66¾	.67⅛
.71⅞	.67	Nov.	.....	.71⅞	.67	.67
.72	.61¾	Dec.	.70½	.72	.66⅝	.67½
.72½	.63⅝	May	.71½	.72½	.67⅝	.68⅜

GODERICH ELEVATOR

Continuously paying dividends for over thirty years, without interruption, is the record of the Common Shares of Goderich Elevator & Transit Company. The more active flow of wheat, both for domestic and foreign consumption, is resulting in higher earnings in the business, making the shares particularly attractive, to yield about 7 per cent. on current dividend payments. We shall be pleased to forward a recent analysis on request.

MIDLAND SECURITIES CORPORATION LIMITED
London, Ont. - Toronto

GRAIN MERCHANTS In World Trade

Owning and Operating Terminal Elevator at Port Arthur (Capacity 5,500,000 bushels)

Over 200 Elevators in Western Canada

EST. 1857

SHIPPERS & EXPORTERS

JAMES RICHARDSON & SONS Limited

WINNIPEG REGINA MONTREAL MOOSE JAW VANCOUVER SASKATOON TORONTO CALGARY KINGSTON EDMONTON

N. M. PATERSON & COMPANY LTD.

Own and Operate
One Terminal Elevator in Winnipeg
Two Terminal Elevators in Fort William
109 Country Elevators
Total Storage Capacity 6,925,000 bus.
31 Vessels on the Great Lakes
Total Carrying Capacity 4,500,000 bus. per trip
Head Office: FORT WILLIAM, ONT.

A Complete Investment and Trading Service

STOCKS .... BONDS
GRAIN ..... MINES

MELADY, SELLERS & CO. LTD.
Grain Exchange WINNIPEG Phone 92709

McCABE BROS. GRAIN CO. LTD.
WINNIPEG, MAN.

GRAIN COMMISSION MERCHANTS
SHIPPERS AND EXPORTERS
ALL GRAINS-SACKED FEEDS
Country and Terminal Elevator Operators
Grain Merchandising
MANITOBA - SASKATCHEWAN - ALBERTA
Offices: DULUTH - MINNEAPOLIS

GRAND TRUNK PACIFIC ELEVATOR CO.
LIMITED

LOCATED AT FORT WILLIAM ON C. N. R. & C. P. R. ELEVATOR ABSOLUTELY FIREPROOF THROUGHOUT. OPERATED BY ELECTRICITY — CAPACITY 5,750,000 BUS.

Frederick B. Wells, President
J. E. Dudley, Vice-Pres. and Gen. Mgr.

RELIANCE GRAIN COMPANY LIMITED

Owners and Operators Country Elevators and Terminals
Exporters and Shippers
SMITH, MURPHY CO. INC.
510 PRODUCE EXCHANGE, NEW YORK
Head Office: 919 Grain Exchange, Winnipeg
Branch Offices: Toronto and Vancouver

FEDERAL GRAIN LIMITED

OPERATING TERMINAL ELEVATORS - FORT WILLIAM - PORT ARTHUR - VANCOUVER
423 COUNTRY ELEVATORS THROUGHOUT THE WEST
101 COAL SHEDS
Our Service and Facilities Guarantee Satisfaction

The Week in Mining

Bulls Have Slight Edge As Result of Franc Move

Chief Aspect for Golds Appears to be One of Stability Rather Than Immediate Uptrend

The Canadian mining market has sought desperately for something "to sink its teeth into" in the French situation, and has, apparently, sought in vain.

On the first impact of the news, gold stocks were frightened, and sold off sharply, on the old theory, "when in doubt, take your profit." Later they rallied and reacted bullishly. In the third phase they settled back, and the news from France left the mining market much as it had found it.

From the angle of the mining market, devaluation of the franc by about a third of its former gold content appears to have done little more than clear the air, and laid a foundation for further clarification in the future.

In other words, most informed opinion seemed to agree that the French move has a value, but a negative value for holders of gold shares.

End of $41.34 Gold Talk?

FOR 2 reasons, the present situation is seen as discouraging to the possibility of $41.34 per oz. gold prices. In the first place, the 3-power monetary accord arrived at between Great Britain, United States and France, appears to outlaw, for the present, at least, any currency depreciation war between these countries. It seems unlikely now that any of the powers would disturb the equilibrium brought about by aligning the franc with the pound and dollar. Before any such currency war takes place, it appears probable that a stabilization agreement will have been arrived at.

In the second place, it should not be forgotten that the United States treasury still is the bulwark for the $35 gold, and that the present administration in Washington will have to be approved this November. President Roosevelt's power to lower further the content of the dollar expires next year.

There is also the fact that if, as is generally believed, the French flight from gold lays the foundation for a normal, world-wide recovery, any further devaluation of currency, will be rendered unnecessary.

* * *

Stabilization of $35 Gold

ON THE other hand, there is reason for seeing in the recent development a strengthening of a gold price of $35 per oz.

Whereaes formerly, there was a possibility, however, remote, that the U. S. might increase the gold content of the dollar, it now appears likely that, for the time being at least, $35 per oz. may be regarded as a minimum.

Even this price, however, in the long run, depends entirely on the willingness of governments or central banks to pay it.

The French Government has made it clear that France has not lost any of her traditional love for gold. It has even been officially stated that, after the period of stabilization, France hopes to again go on gold, and, in the case of this metallic money-hoarding country, such a statement probably means more than the usual pious utterance.

The fact that a third large exchange stabilization fund has come into being means the extension of managed currency, and is in reality a new form of stabilization with less emphasis on gold.

* * *

Market Values

AS IS shown by figures elsewhere on this page, the mining market has built up a tremendously increased valuation for Canadian gold stocks in the past year. While, as is pointed out, much of this increase can be attributed to worth-while development news from the mining fields, at least some of it has been based on an anticipation of a still higher price for gold.

The task facing the holder of gold stocks now seems to be to attempt an estimate of just how much the value of his stocks is based on this assumption, an assumption which, in the light of present developments, seems hard to justify. That part of the current appreciated market based on the present gold prices appears, on the other hand, to be on firm ground.

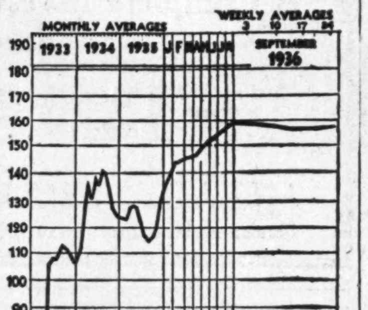
* * *

Index to Mining Stocks

The noteworthy feature of the week on the mining section of the Toronto Stock Exchange was the accelerated upward movement of the base metals issues. It was the major factor responsible for the substantial gain of the general price index, which rose from 156.6 to 159.0 for the week ending September 24. This compared with 119.2 for the week of September 26, last year.

Advances in the gold group, although few, partly offset the declines of 13 gold issues, with the result that the index was just a fraction lower than last week. The index fell from 131.7 for the week of September 17 to 131.6 for the following week. The comparative figure for the corresponding week in 1935 was 108.9.

Exceeding recent records, the index of the base metals registered a sharp rise of more than 12 points, attaining the new peak of 272.6 for the week of September 24. The index for the same period in 1935 was 162.1.



Gold Finds at Old West Tree May Reward 15 Years of Toil

"Both these discoveries were missed by earlier underground work and diamond drilling. . . . ."

Which—although it happens to refer to results of the latest development effort by Lake Caswell Mines at the old West Tree mine in West Shining Tree—is also one of the reasons why Canada is experiencing its most active mining development season in years.

Nearly 15 years of alternating hope and disappointment lie behind the story of the old West Tree. Its history is typical of traditional Canadian mining perseverance and the principle of "One more round."

West Tree, under its newest name of Lake Caswell Mines Ltd., is now in a more advanced stage of development than at any time in its long and checkered career.

Back in 1923, West Tree was a promising gold prospect, mildly interesting to a then small number of mine-conscious Canadians. Early exploration increased rather than diminished its chances, but West Tree was 70 miles from the Porcupine camp and 80 miles northwest of Sudbury. Those were long distances in Canadian gold mining in 1923 and relatively few people were anxious to sink money into a gold prospect lying on the rim of nowhere. Funds ran low. West Tree was forgotten as far as the public was concerned. Records of gold deposition in West Tree's porphyry dykes and quartz veins, drilling results and the recommendations of its engineers were filed away with the notation, "Inactive."

But not for long.

Canadian Champion Reef

West Tree reappeared on the mining scene again in 1926, this time as the young hopeful of Canadian Champion Reef Mining Co. and operations continued under that name for a time. In 1933, Canadian Champion Reef turned its face to the wall and lapsed into merciful unconsciousness under the stifling weight of a world business depression.

Burvan Gold Mines was third in the chapters of West Tree's troubled life story, and also the shortest. Burvan and its West Tree property faded from the mining spotlight and passed into the hands of Lake Caswell Mines Ltd. in 1934.

Lake Caswell, capitalized at 3 million $1 par value shares, gave 869,625 shares to the vendors of the property, pooled until the end of this year or until the Ontario Securities Commission puts its stamp of approval on their release, and these form part of Lake Caswell's issued stock amounting to 1,481,080 shares. There are 1,518,920 in the treasury.

New Finds Made

First step after the reorganization was an examination by G. Allan MacPherson, M.E., Lake Caswell's consulting engineer and F. J. Sullivan, general manager. Further exploration last autumn is reported to have revealed a shear zone 8 to 25 ft. wide across the property, paralleling the main fracture. A second discovery was a cross fracture with from 4 to 6 ft. of quartz, traced over 500 ft. Channel samples taken from this vein gave $6.75 over 36 inches.

"Both these discoveries were missed by earlier underground work and diamond drilling," says a report by Mr. Sullivan.

Earlier development included a shaft to 500 ft. on No. 7 vein and checking of the showings showed values in repeated assays from channel sampling of $6.30 to $31.20 at the old $20.67 price of gold, over widths of 2 ft. to 4 ft. 10 in.

Crosscutting at 240 ft. encountered 2 new veins, one 70 ft. from the shaft and another about 90 ft. east. Both veins showed gold values and a channel sample over 3 ft. gave $15.40 gold per ton. Other discoveries were made and values of $15.58 at the old price of gold were revealed in drifting from a second shaft sunk 70 ft. on a showing known as "Vein 103." Free gold was shown elsewhere in the vein.

Driving to Main Vein

This season, Lake Caswell is driving on the 240-ft. level to pick up the vein discovered last autumn and has encountered 2 intermediate veins which also appear in the shaft. Work was shut down last December and resumed in April, and operations are now within 40 to 70 ft. of the main vein.

Drifting on the 240-ft. level and at 500 ft. in the No. 1 shaft will be followed by drilling to explore ore conditions at still greater depths.

There is nothing spectacular about West Tree. It is the story of hard-rock gold mining, sweat and the reason why "Quit" never appears in a dictionary of mining terms.

Bulolo Gold Dredging Adds to Issued Stock

From Our Own Correspondent

MONTREAL. — Bulolo Gold Dredging has alloted a further 739 shares which have been called for trading on the Montreal Curb Market. This brings the number of shares outstanding up to 998,381.

May be Finish Of Moose River

What may be an unobtrusive finish to a Canadian mining venture which held the attention of the world is contained in a recent issue of Nova Scotia's Royal Gazette. In the issue of Sept. 16 is an unobtrusive notice addressed "to the Moose River Gold Mining Co. and all whom it may concern." The Moose River Mine, it will be recalled, was the scene of a 10-day entombment of 3 men, one of whom succumbed last April.

The gist of the notice is that on August 11, 1936, the Nova Scotian Registrar of Joint Stock Companies wrote Moose River Gold Mining Co. by registered letter asking whether the company was carrying on operations. The letter also stated that if an answer was not received within one month, a notice would be published with a view to striking the name of the company off the register.

No answer being forthcoming, the Nova Scotia Government is giving the company one more month,

Powell Rouyn Stock Listed

Company is Developing Rouyn Quebec Property Underground

Application to list the shares of Powell Rouyn Gold Mines has been approved by the Toronto Stock Exchange, and trading started in this stock Sept. 30.

Powell Rouyn has an Ontario charter, and owns about 650 acres in Rouyn Twp., Quebec. Development work to date consists of 900 ft. of shaft sinking and drifting; 12,000 ft. of diamond drilling, in addition to considerable surface work. An incline shaft is at present being sunk to 500 ft. and it is planned to follow this by drifting north of the main vein for about 400 ft., later raising the working shaft to surface.

The company has an authorized capitalization of 1.5 million shares, $1 par value of which 832,757 shares have been issued. In the balance sheet as at June 30, 1936, current assets are shown at $41,108 against current liabilities of $1,382.

An option agreement has been entered into as follows: 150,000 shares at 80 cents in monthly installments to Jan. 15, 1937; 100,000 shares at $1 running for the next 3 months; 100,000 shares at $1.25 until Oct. 15, 1937, and 100,000 shares at $1.75 until April 15, 1938. Subject to this option being completed, the optionee may take up 165,000 voting trust shares at $2 until May 15, 1938.

PlanEnlarging Fairview Mill

Present Rate of 60 Tons Daily to Be Increased to 100 Tons

The mill at the property of Fairview Amalgamated Gold Mines, which is an amalgamation of the Fairview Amalgamated and the Morning Star Group near Penticton, B.C., has been handling 60 tons per day, and, commencing October 1, it is expected that at least 100 tons per day will be handled, G. J. Vaux, managing director, informs The Financial Post.

For the 3 months ended August, expenditures were in excess of income from concentrate by an amount of $5,600 of which $2,900 was on operating accounts and the balance on capital. Offsetting this, broken ore in the stopes with a value of $50,000 is now reported. This represents 6,000 tons. There is no blocked out ore, but Mr. Vaux reports that development to date has indicated that approximations made formerly by independent engineers are conservative.

Production for September is expected to be slightly in excess of $12,000 with expenses $7,500. Costs for the 3 months to August 31 have averaged $4.20 per ton before depletion and depreciation. Mr. Vaux expects that September costs will be under this figure, and, in October, with increased operations, a further drop is looked for.

Plains Petroleum Drills for Crude

Majestic Structure of Alberta Hitherto Regarded as Naptha Field

Deep test drilling and development in search of crude oil on the Majestic structure, 185 miles from Turner Valley, Alberta, is being undertaken by Plains Petroleum Corp. Ltd. in association with Ohio and Pennsylvania oil operations. Hitherto, the area has been regarded as a naphtha gas source, but the company's geologists believe conditions are favorable for bringing in crude oil.

Plains Petroleum is headed by Robert I. Clancey, of Toronto, as president. The company owns leases on 5,120 acres on the Majestic structure about 40 miles east of Lethbridge and northwest of the Cut Bank and Sunburst oil fields of Montana, both of which are large producing areas.

From Sunburst Sands

At approximately 3,290 ft. the Plains Petroleum drill will enter the Sunburst sand, from which commercial crude oil production is obtained in the Sunburst field of Montana. According to Walter W. Wittlinger, geologist in charge of the company's operations at Taber, Alta., a casing will probably reach a point below the Milk River sand this week. From that point straight drilling will proceed to the producing horizon.

Sites for 500 wells are located on the leases.

Anglo-Huron. Earnings Jump To 86c a Share

Working Capital of Holding Company Also Shows Improvement

STRONG POSITION

An increase of nearly $1 million in working capital, and earnings per share of 86 cents, as compared with 38 cents last year, are highlights of the annual report of Anglo-Huronian Ltd., holding and operating company, for the fiscal year ended July 31, 1936.

In his report to shareholders, Andre Dorfman, president, reiterates the statement made at the last annual meeting, to the effect that, inasmuch as profits from the realization of investments are nonrecurring, efforts of the company are directed toward the acquisition of semi-permanent holdings in producers which give promise of good earnings over a long life.

Chief Interests

Anglo-Huronian's chief interests now comprise Omega, McWatters, Lake Rose, Lamaque, and Sigma Mines. In addition the company owns a substantial interest in Castle Trethewey, Read Authier, and Prospectors Airways.

The company's total investment in marketable securities of other companies is shown on the balance sheet at cost of $3,486,491. The market value of these securities as at July 31, was $4,865,000.

Taking these investments at cost, current assets amount to $5,943,486. This includes $1,880,339 cash. Current liabilities amount to $244,531, leaving a working capital of $5,698,955. At the end of July, 1935, working capital was $4,828,124.

The total valuation of the Vipond and Keeley properties, with all their equipment, is carried on the balance sheet at $5,707.

At the Vipond property, total bullion recovery amounted to $452,675 from 106,496 tons. This reveals a recovery of $4.25 per ton, against costs of $3.91 per ton, leaving a net profit for the year of $36,142.

Recent geological investigation, and diamond drilling at the Vipond Mine have proved that as the quartz porphyries are plunging eastward, the area west of the porphyries is increasing in width and depth. It is the company's intention to explore this western area, where, as yet no work has been done.

Following is a comparative income and surplus account for the years ended July 31, 1935 and 1936.

Income and Surplus Account
Years Ended July 31

	1936	1935
	$	$
Revenue:		
Metal recoveries ...	452,675	465,178
Dividends earned ..	107,951	84,935
Int. & exch. earned	44,772	64,831
Sundry earnings ...	12,589	1,935
	617,987	616,879
Expenses:		
Mine oper., incl. dev.	416,339	484,183
Gen. & admin. exp.†	71,270	71,562
Depreciation	1,421	931
Supp. & exams. w/o	5,668	1,995
Net oper. profit	123,289	58,208
Add: Profit on sale of secs.	1,134,154	453,603
Less: Prov. for taxes..	36,923	30,558
W/o advs. & shs. in other cos.	93,450	......
Net profit for year....	1,127,071	481,253
Less: Dividends paid..	511,042	501,042
Surplus for year	616,029	*19,789
Add: Prev. surplus ...	1,262,334	1,249,698
Res. not required ..	......	47,985
Less: Portion of spec. govt. audit	......	14,750
Organ. exps. w/o ..	......	810
Surplus forward	1,878,362	1,262,334

*Loss or deficit.
†Less portion charged to mines operations, $21,722 in 1936 and $25,062 in 1935, and income from management services, $18,320 in 1936 and $28,020 in 1935.

Earnings per Share and Dividend Record:

Earned	$0.865	$0.38
Paid	0.40	0.40
Shares Outstanding ..	1,302,605	1,252,605

Echimamish Options Pine Lake Property

From Our Own Correspondent

WINNIPEG. — Echimamish Gold Mines has optioned 2 groups of claims belonging to Pine Lake Gold on the Echimamish River 40 miles east of Norway House. The 2 groups adjoin Echimamish Gold, one on the east end and the other on the west end and together with other properties owned or controlled by Echimamish gives this company a large acreage.

Drilling by Echimamish is still in progress and in addition surface crews are at work on both Echimamish and Pine Lake Gold. Pine Lake Gold still has 2 large groups and if the field proves as important as preliminary work indicates, will be well situated both in acreage and in position.

Lake Rowan Gold Mines Shares Put on Market

From Our Own Correspondent

MONTREAL. — Kippen and Co. and R. O. Sweezey and Co. are making a joint offering of 500,000 shares of Lake Rowan Gold Mines at 50 cents a share. The company has an authorized capital of 3 million shares of which 1,090,000 shares have been issued for property. A further 240,007 shares were previously issued, leaving in the treasury, including the present offering, 1,669,993 shares.

Lake Rowan Gold Mines is located at the Red Lake District of Ontario. The company owns 42 claims. The main discovery on the Lake Rowan property consists of 5 veins indicating values as high as $57. Besides the main discovery there are some 12 to 20 other discoveries.

Inco Construction Is Well Advanced

From Our Own Correspondent

SUDBURY. — Construction programme at the plant of the International Nickel Co. at Copper Cliff is so far advanced that the company expects to blow in one reverberatory furnace at the new copper smelter the last week in October, with the plant in operation during the first week in November, well ahead of the date originally planned.

The lining of the new stack, which reached its objective and received a coat of paint a few weeks ago, is now completed and the big chimney is thus ready for action in advance of requirements.

Excavation work is proceeding for the new research building to be constructed adjoining the general offices in Copper Cliff. It will be in the new year before this structure is ready for occupancy.

New Mill Plans For Lebel Oro

Tonnage from Old Workings Increased to 40,000, of $10

From Our Own Correspondent

SUDBURY. — Timber and other mine supplies are going in to the Long Lake property of Lebel Oro Mines, southeast of Sudbury, for the underground programme now being launched. The second level workings have been conditioned for the mining of ore from the glory hole and from the first level workings, after recent completion of the new shaft. The third and fourth levels have been cleaned out and a small hoist is now being installed on the second to service these levels.

Development work carried on during the summer is stated to have increased the tonnage in the old workings from 25,000 tons of $9 grade to 40,000 tons of $10 grade. Some good grade ore has been found in the hanging wall of the fault from the second to the fourth levels. Widths run from 4½ to 5½ ft. and the find is considered important by officials.

As intimated some time ago, it is understood that the present 200-ton mill will be altered to provide for treatment of 75 tons daily initial production. A milling programme has been recommended to the directors, and the equipment at present in the plant, which was in operation for only a short time about 2 years ago, can be put to use in the revised plans.

Current Chatter From B. C.

From Our Own Correspondent

VANCOUVER. — Control of Surf Inlet Consolidated Gold Mines, Ltd., has been acquired by Mines, Ltd., a Bahamas corporation backed by Eastern United States capital. The Surf Inlet mine is on Princess Royal Island about 400 miles up the coast from British Columbia. P. W. Racey is directing development.

* * *

Relief-Arlington

A new vein believed to be important was recently discovered on Relief-Arlington, near Erie, during assessment work. Width is said to vary from 6 in. to 6 ft. with values apparently continuing throughout the length explored. About 1,500 ft. has been stripped on the surface.

* * *

Bayonne Mill Oct. 15

Bayonne's 50-ton cyanide mill will probably be ready by Oct. 15. The mill is on the east side of Kootenay Lake.

* * *

Big Missouri's Mill

Preparations are being rushed for the Big Missouri mill, which will have a capacity of 600 to 750 tons and will be unique because of its underground location. The road from Premier to Big Missouri is being expedited so that equipment can be taken in before the winter sets in.

Arntfield Gold Mines Stock Listed in Montreal

From Our Own Correspondent

MONTREAL. — Shares of Arntfield Gold Mines have been called for trading on the Montreal Curb Market. The listing covers 2,758,920 shares of $1 par value, with authority to add; (a) 29,000 shares presently under option, upon receipt of notice of exercising of the option; and (b) 212,080 shares presently in the treasury, upon receipt of official notice of issuance. The authorized capital of the company is 3,000,000 shares of $1 par value.

Lake Rowan Gold Carries on Field Work

From Our Own Correspondent

MONTREAL. — Sampling and other field work is now being carried out at Lake Rowan Gold Mines property at Red Lake, Ont., by Dr. J. E. Gill, consulting geologist.

Previous exploratory work carried out on the property resulted in 20 discoveries showing widespread diverse mineralization, including 4 major areas.

In a report to the underwriters, William T. May, mining engineer, mentioned gold ore values as high as $57 a ton and other disclosures

Alberta Nears Five-YearMark Gas, Oil Output

More Wildcats Are Being Drilled Than at Any Time in Province's History

DANIEL DEAL DROPPED

From Our Own Correspondent

CALGARY.—Alberta is producing more naphtha and crude oil at present than at any time since June, 1931, and development activities now are comparable with those in the oil boom years. More wildcats are being drilled than at any time in the history of the province.

In August, according to a Provincial Government report just issued, Alberta fields produced 124,287 bbls. of naphtha and crude.

Principal reason for the high production being maintained at present is the continued prolific flow of crude from Turner Valley Royalties well. Since this came in as the largest crude producer in Canada in the middle of last June, it has produced a total of 62,968 bbls., up to the end of August. The August yield was 25,328 bbls. The largest naphtha well in Alberta is Century Royalties which produced 5,653 bbls. in August.

Turner Valley, of course, produced by far the largest amount of oil in Alberta during August. The total for the Turner Valley field was 120,644 bbls. Red Coulee and other fields along the Montana border produced 1,928 bbls. of light crude and Wainwright produced 1,715 bbls. of heavy crude.

Three Highlights

The Renfrew, Sovereign and Foundation wells are holding the centre of interest in Turner Valley at the present time. All 3 wells are located on the west fold of the valley structure from which Turner Valley Royalties obtained its crude production and all 3 are nearing completion. Their success or nonsuccess will determine the extent of the Turner Valley Royalties crude pool. Though being drilled with slower cable tool equipment, Renfrew has a head start on both Sovereign and Foundation as it is actually drilling in the limestone from which production is anticipated. Foundation and Sovereign are drilling below the Dalhousie sands and the limestone will be picked up soon if all goes well. Several other wells are drilling in the same general area but it will be several weeks before they reach interesting depths.

Daniel Deal Collapses

A deal whereby the Toronto investment firm of John Daniel and Sons was to put up money for a production test of the Weymarn Petroleum's well on the Pincher Creek structure has collapsed. The latest report is that the Calgary and Edmonton Corporation, which holds a royalty interest in the well, may finance the test.

Shooting of the Union-Freehold well, owned jointly by the Union Drilling and Development Co. and the Freehold Oil Corp. failed to boost production above the former yield of about 30 barrels a day. A premature explosion wrecked the top of the derrick.

Plans are now being made to shoot the British Dominion well, which is producing about 100 barrels a day. In view of its proximity to Turner Valley Royalties, it is thought a "shot" may loose up the limestone formation and cause crude to flow into the British Dominion.

N. C. URQUHART & CO.

STOCK BROKERS

Members Toronto Stock Exchange

15 King Street West — Toronto, Ont.

ADel. 6028

Bulolo Installs New Dredge

August Recovery Shows Increase in Year

From Our Own Correspondent

MONTREAL.—Bulolo Gold Dredging advise the Montreal Curb Market that directors of the company have decided to install a new dredge on Bulolo Gold Deposits Area, a recently acquired area adjacent to the main property. The new dredge is of six cubic feet bucket capacity, and will make a total of seven dredges. Four dredges are now in operation and two new deep digging dredges were decided upon some time ago. The first of the deep digging dredges, to be called dredge No. 5, is now being shipped to New Guinea and should be completed in July next.

The company reports production in August of 12,484 ounces of fine gold, compared with 13,904 ounces in July and 10,001 ounces in August last year.

Estimated working profit last month amounted to 8,657 ounces, equivalent to $302,995 with gold valued at $35 an ounce in Canadian funds. In July this year the working profit was estimated at $338,485 and in August, 1935, at $262,710.

During the last August 978,000 cubic yards of gravel were dredged, as against 986,700 in July and 652,500 in August a year ago.

New Discovery Made On Packsack Property

From Our Own Correspondent

WINNIPEG. — Packsack Mines is down 200 ft. in its shaft. The shaft will be completed to 275 ft. with 2 stations above that. Plans call for crosscutting and drifting on both levels. In the meantime a new discovery has been made on the southern section of the Montcalm claim. This seems to be a large body of comparatively low grade ore. It has a width of about 40 ft. but has not been delimited as to length. H. R. Drummond-Hay, president of the company, visited the property and on his return said it was possible the new discovery might change the entire picture. However, work on the shaft sinking was being continued and an extra crew were exploring the new find.

PLAINS PETROLEUM CORPORATION LIMITED

Informational bulletin upon request to your broker or to the Company's head office — C.P.R. Building, Toronto.

MARKET PROFITS FOR YOU

By Acting Upon Expert and Unbiased Advice

The following are some of the recommendations made by Oscar C. Bartells:
Toronto Stock Exchange Mines:
O'BRIEN at $1.60—90c on May 11, $2.05 on May 20, $2.52 June 1, $2.42 June 3, $2.60 July 3, $3.00 July 6, $3.30 July 15, $3.99 July 17. Present price, $5.90.
MONETA, 41c on Sept. 2, 43c on Sept. 4. Present price, 58c.
FRANCOEUR, 43c on August 10. Present price, $1.15.
SULLIVAN, at 90c on April 28, $1.20 May 20, $1.25 June 3, $1.26 June 12, $1.35 June 24. Present price, $2.01.
MacLEOD-COCKSHUTT, at 72c on April 28, $1.20 April 30, $1.72 May 2, $2.80 May 6. Present price, $4.40.
Other T.S.E. and Unlisted recommendations include MADSEN, 36c on April 7. HARD ROCK, at 85c on April 28. RED LAKE GOLD SHORE, at $1.12 on April 28, BIDGOOD, 80c March 18, LAMAQUE, $3.00 April 18. LEITCH GOLD, at 45c on April 4. THOMPSON CADILLAC, 40c May 8, FAULKENHAM, 27c on July 15, HOWEY, 65c April 4, READ-AUTHIER, $2.50 June 15.
New York Stock Exchange recommendations include NEW YORK CENTRAL at 33 on May 2, DELAWARE & HUDSON 40 July 10, PEOPLE'S GAS 41 May 27, SIMMONS 25 May 8, DOUGLAS AIRCRAFT 58 June 12, WESTINGHOUSE 100 on May 14, CRUCIBLE STEEL 37 August 7.
Compare these recommended prices with present market quotations.
A complete file of Market Letters is available for your inspection.

OSCAR C. BARTELLS, Investment Counsellor,
73 Adelaide St. West, Toronto, Ont.
I enclose $2.00 for 1 month's / $5.00 for 3 month's subscription to your Tri-Weekly Market Letter Service. (Please add exchange to cheques)
Please send me Collect Telegrams on special mining recommendations.
Please do not send me Telegrams on special recommendations.
NAME ....
ADDRESS ....
Each three months' subscription entitles you to free analyses of your stock holdings.

MOOSHLA

H. S. Denny, C.B.E., M.I.M.M., president and consulting engineer, reports that a strong vein has been cut in "B" shaft at a depth of 55 feet, heavily mineralized. Assays of two samples ran $48 and $37, both over a width of 2½ feet (Sept. 25, 1936).

Complete information upon request.

DRAPER DOBIE & CO.

MEMBERS
THE TORONTO STOCK EXCHANGE
330 BAY ST. AD. 9171 TORONTO
12 QUEEN ST. - ST. CATHARINES

We have just placed with our customers an issue of 800,000 shares of

HALLIWELL GOLD MINES LIMITED

at prices ranging through 25c, 30c, 40c, 50c per share.

During this summer, work has been carried on vigorously at the property of that Company, in Beauchastel Township, Quebec. Recent diamond drilling results have been most encouraging★ and, in the opinion of the engineers, justify shaft sinking and underground development.

As a result of our sales of stock, the Company is adequately financed for this program, having in hand about $150,000 in cash, call loans and accounts receivable.

In addition, there remain in the treasury 1,000,000 shares of its capital stock optioned at prices sufficient, it is estimated, to net the Company ample funds to pay for the erection and installation of a 300-ton mill, if found necessary. It is not proposed to sell these additional shares until the acquiring of the mill or other property justifies it.

Pending such offering, intending purchasers may place their orders with any of our branch offices who will endeavour to fill them by buying the shares from existing holders.

We consider the shares an attractive speculation, in view of the developments at the property, the financial position of the Company, and the intelligence and integrity of the directorate and management.

The present market is 50c-55c approximately.

★ *On request, we shall be glad to furnish those interested with details of development.*

JOHNSTON AND WARD

Head Office: THE ROYAL BANK BUILDING, MONTREAL

Members: Montreal Stock Exchange
Montreal Curb Market
Canadian Commodity Exchange, Inc.

Branches: Montreal, P.Q.; Halifax, N.S.; Toronto, Ont.; Sydney, N.S.; Kingston, Ont.; Moncton, N.B.; London, Ont.; Saint John, N.B.

330 Bay Street, Toronto, Ont.

Group Applies for Power Site in Metal Area

Move in Northern Manitoba Seen as Potentially Important

OTHER PROJECTS

From Our Own Correspondent

WINNIPEG, Man.—On behalf of clients, H. R. Drummond-Hay, Winnipeg lawyer, has made application for the White Mud Falls power site on the Nelson River. The move presages developments of a far reaching character and intimately connected with the base metal mining industry.

The situation at present is one largely of "ifs" but the fact that the application has been made indicates the belief of prominent mining men in the future of that industry in Northern Manitoba.

Chief Concern

Immediately, the Nelson River power project is more concerned with developments on the Echimamish River than anywhere else. The Echimamish is a Jowsey project and recently he has acquired large additional holdings. Diamond drilling and surface work is under way but it is not yet decided whether or not the property holds out greater promise as a base metal or precious metal operation.

Jowsey interests have also taken an option on a base metal property at Oxford Lake, 40 miles west of God's Lake. This could be supplied with power from the plant built to supply God's Lake and which is now developed to about 2,000 horsepower out of a possible 5,000. However, if the Echimamish development proves to be sufficiently large, White Mud will be developed primarily to supply it and may then be utilized for near-by operations.

There are a number of other projects in the north, all of which will require cheap power to bring them into successful operation. These include the Ventures drilling at Morton Lake, Lindsley drilling Callinan Flin Flon, the Mandy, now controlled by Jowsey and Lindsley interests, the Sherritt Gordon, Lindsley controlled operation, and one or 2 others.

Hudson Bay Mining and Smelting is increasing its power installation at Island Falls, on the Churchill River, and will then have sufficient power to supply Sherritt Gordon, Mandy — if operating — and other nearby properties. But there still remain a number of potential producers, both base and precious metals, that would be customers for a development on the Nelson River at White Mud Falls.

C.N.R. Completes Survey On New Quebec Railway

From Our Own Correspondent

MONTREAL. — Surveys for the new branch line of the Canadian National Railways, which will serve the mining district of Northern Quebec south of the National Transcontinental, have been completed.

Authority has been received to go ahead with construction of the branch line and it is expected work will be commenced within the next few weeks. The line extends from Senneterre, a point on the National Transcontinental 72 miles east of Taschereau, to Rouyn, the southern terminus of the Taschereau branch. The total length is 100½ miles.

The completed survey provides for a line adjacent to a large number of mines, including Perron, Bussieres, Fleming, Sigmac, Lamaque, Siscoe, Sullivan, Shawkey, Greene-Stabell, Canadian Malartic, O'Brien and Thompson-Cadillac.

LEITCH Gold Mines Limited

We shall be glad to mail a report on ore development to date.

Cameron, Pointon and Merritt

Members The Toronto Stock Exchange

44 Adelaide St. W., Toronto

Telephone WA. 2961

19

NORTHERN CANADA MINING CORPORATION, LIMITED

New mines financed, managed and developed to production.

44 Victoria Street, Toronto, Can.

WE MAINTAIN ACTIVE TRADING DEPARTMENTS SPECIALIZING IN LISTED AND UNLISTED CANADIAN MINING AND INDUSTRIAL SECURITIES.

Our statistical staff would be pleased to answer inquiries regarding all classes of securities.

F. J. CRAWFORD & CO.

Members

Toronto Stock Exchange

Winnipeg Grain Exchange

Canadian Commodity Exchange Inc.

11 Jordan St. - Toronto

ELgin 2201

Golds Outstripped

Base Metals Lead Gold Stocks in 12 Months Market Appreciation

By WILFRID SANDERS

While gold stocks have shown sweeping gains in the past 12 months, a check up discloses that the less publicized base metals have had a still greater appreciation.

A glance at the table below shows the present price position of 24 mining stocks, 20 of which are gold, and 4 predominantly base metals. The gold stocks are chosen to give a broad picture of the field. It will be noticed that they are all producers, and all with the exception of God's Lake, dividend payers. While sharp increases have, as is generally known, taken place in most of the junior gold and penny stocks, a comparison over as long a period as a year is hardly feasible with this type of stock, in which a year's development work will change the outlook considerably.

It will be noticed that, on the whole, the largest appreciation has taken place in such base metals as Falconbridge, which has appreciated in value nearly two and a half times; International Nickel has doubled in value, and Noranda, which has also more than doubled.

Hudson Bay Mining & Smelting Co. has not enjoyed the market appreciation which other base metals have shown. This is difficult to understand, in view of the generally bullish atmosphere surrounding copper. It may, however, be partly traced to uncertainty over the outlook for zinc.

With the other base metals, it is obvious that they are selling at high ratios in relation to present per share earnings. International Nickel's jump in the past year is based on anticipated earnings from improved markets, peace time, and war, and on the company's current expansion programme.

Gold vs. Base Metals

Company:	Approx. price Sept. 24 1935 $	1936 $	% change
Beattie	1.40	1.35	—2.7
Bralorne	4.50	8.35	+85.5
Cent. Pat.	1.89	4.05	+114.2
Dome	41.25	58.00	+40.6
God's Lake	1.59	0.91	—42.7
Hollinger	13.00	14.10	+8.4
Howey	0.66	0.76	+15.1
Kirk. Lake	0.38	0.58	+15.1
Lake Shore	50.00	57.00	+14.
L. Long Lac	5.30	6.00	+13.
Macassa	2.42	4.35	+79.7
McIntyre Porc.	39.25	42.50	+8.2
Pickle Crow	2.67	6.65	+149.
Pioneer	9.60	7.50	—21.
Reno	0.84	1.39	+65.4
San Antonio	3.05	1.82	—40.3
Siscoe	2.65	4.70	+77.3
Sylvanite	2.22	3.15	+41.8
Teck-Hughes	3.98	5.85	+46.9
Wright-Har.	7.80	7.95	+1.9
Base Metals			
Falconbridge	4.10	9.90	+141.4
Hudson Bay	17.10	27.00	+57.8
Intern'l Nickel	30.00	62.00	+106.6
Noranda	30.00	67.00	+123.3

Falconbridge is also expanding its production, and should be in a position to increase its earnings considerably. Whether this anticipated increase warrants a market appreciation of 141.4%, however, is open to debate.

Noranda, the dual copper-gold producer, has always been a favorite with the market. In addition, the past year has been one of marked success for this company in its outside explorations, a fact which probably partly accounts for the 123% increase in price of its stocks. The chief of these outside interests is the Pamour Porcupine Gold Mines, which has already a 500-ton mill in operation.

In the golds, the greatest gain in the list below was made by Pickle Crow, with its neighboring producer, Central Patricia, running a close second in market appreciation.

Looking down the list, it will be seen that while bullish psychology has undoubtedly been responsible for some of the increase in market valuations, most of the increases shown in the gold stocks have been based on individual results at the respective properties. Four of the stocks listed below have actually declined in the period, due entirely to the public interpretation of property development.

Viewed by themselves, the general increase in gold stock prices seems startling, but aligned with the base metals, it is apparent that the public have stressed the latter to a far greater extent than the golds.

Horwood Lake Shapes Up Well

Hollinger Obtaining Good Results from Work on 600-ft. Level

From Our Own Correspondent

SUDBURY. — Hollinger Consolidated Gold Mines is continuing development of the Smith-Thorne claims in the Horwood Lake section, and last reports from the field were to the effect that present lateral work at the 600-ft. level is advancing in a good grade of ore. The company has sunk a 600-ft. inclined shaft on the property, with 4 levels opened.

There are over 50 claims in the group taken over under option by Hollinger. In the winter of 1934-35 considerable diamond drilling was done both on the Smith and Thorne properties which gave sufficiently encouraging results to induce the Hollinger interests to expend a considerable sum of money on underground development. First discoveries were made on the Smith group by W. E. Smith, of Duluth, and George Olscamp, of Sudbury, in 1933, and finds were also made by Bert Jerome, of Westree, and Joseph Burke, of Ottawa, on the Thorne group. Visible gold, in some cases in spectacular quantities, has been found in the area.

Quebec Sponsors Mining Education

From Our Own Correspondent

MONTREAL. — As part of the "New Deal" and evidence of its desire to stimulate interest in the mining industry, the Quebec Government will award 30 mining scholarships at Laval, Montreal, McGill and Queen's Universities.

The Queen's scholarship will be valued at $650 and the others at $500 provided the winning student resides within 25 miles of the city where the university is located. Otherwise the value of the scholarship is automatically increased in the 3 latter cases to $600.

Winners of the awards and their parents must be British subjects and have resided in Quebec province for at least 5 years.

Sladen Malartic Mines Reduce Optioned Stock

From Our Own Correspondent

MONTREAL. — Sladen Malartic Mines advise the Montreal Curb Market that 20,000 additional shares at 45 cents a share have been taken up under the option agreement, leaving a balance of 15,000 shares in the 45-cent block. A total of 515,000 shares remain under option and 1,762,016 shares are in the hands of the public, exclusive of escrowed stock.

We recommend purchase at the market

BLUE STAR

Information upon request.

Lloyd Lott & Company Limited

401 Bank of Hamilton Bldg., 67 Yonge Street, Toronto

WAverley 2989

J. E. GRASETT & CO.

Members The Toronto Stock Exchange

302 Bay St., Toronto

WAVERLEY 4781

Branch Office:

2822 Dundas St. at Heintzman Ave. JU. 1167

ExtendOption Big Missouri

Report Shows 317,500 Shares Taken Up to Date

Big Missouri Mines Corp. have advised the Toronto Stock Exchange that a special general meeting of shareholders will be held on October 12 to consider a by-law extending the life of an outstanding option upon treasury shares until July 1, 1938, providing that from time to time sufficient shares are taken up under the option to furnish the company with funds to carry on its operations, including the erection of a mill and installation of a power plant.

This option was granted on December 9, 1935 and covered the purchase of 1,685,633 shares at 50 cents per share until Dec. 1, 1936. Under this option 317,500 shares have been taken up leaving 1,368,133 under the extended option plan.

True Fissure Mines To Drill Property

Diamond drilling will start immediately on the Cadillac Township property of True Fissure Mines, according to J. F. Mulholland, the company's engineer. Mr. Mulholland reports that he has established that the number 2 vein runs across 5 claims a distance of 6,500 ft. Some work has been done at the east end by the former owners and it is now reported that the vein averages 8 to 10 ft. in width throughout. Surface assays are reported to have given $2.50 to $3 a ton. Drills are already on the property.

Spooner Gold Claims Northern Empire Vein

Development work at the Beardmore, Ontario property of Spooner Gold Mines adjoining Northern Empire on the east has definitely determined the extent of the Northern Empire vein on Spooner ground for 2,500 ft., the company claims.

During the past 3 months, 165 ft. of shaft sinking has been done and a level established and partially opened up at a depth of 150 ft. Sinking is being continued to an objective of 600 ft.

Mining Enquiries

Blue Star Gold Mines

I have noticed reports from time to time in your paper regarding Blue Star Gold Mines. How would you regard this proposition? What development work is being done?

Latest information in connection with Blue Star Gold Mines Ltd. is that the shaft is being sunk to a depth of 150 ft. and at the present time has almost reached that initial objective.

Previous drilling and surface discoveries on the property were encouraging and a vein was encountered which is now coming into the shaft at a point nearly 150 ft. down. Lateral development is planned for the near future, we understand, and it is intended to explore the property completely by drilling, drifting and crosscutting. The programme has been mapped out for this purpose, but until gold values and tonnages are both established in commercial quantities the shares naturally remain entirely speculative and the property, strictly speaking, remains in the prospect class. It is, however, giving encouraging indications of responding to exploratory development.

Gold Outlook

I would like your opinion on the future price of gold. Since the president of United States put the price of gold up to $35 per ounce, thus forcing the whole world up to that price, isn't there a danger of getting too much gold, and having the price revert to $20.67?

The point you have raised has been the subject matter for many volumes, written by men with widely diverging opinions.

In the first place, the president of the U. S. A. did not "put the price of gold to $35 thus forcing the whole world up to that price." Prior to the time that President Roosevelt announced that the U.S. treasury would purchase gold at $35 an ounce the price had been steadily rising as a result of economic conditions of a world-wide and ramified nature. What the president of the U. S. A. did do was to stabilize the price at $35 per ounce.

As to the future of gold prices in terms of dollars, the best minds of the world frankly admit that there is little or no basis for arriving at a forecast. The general trend of opinion is, however, that when international currency is stabilized, presumably on a fixed price for gold, the price will be higher than the $20.67 level recognized in pre-depression times. Whether it will be above or below the $35 mark, no one knows.

Economists generally believe that there is little danger of too much gold for many years. No substitute has been found for gold as a currency base and while there are economists who believe that a metallic base for currency is not necessary, by far the greatest weight of opinion lies behind the view that gold will always be in demand for this purpose, no matter on what basis world currency is eventually stabilized.

Norgold Mines

Could you tell me what the shares of Norgold Mines are worth, and something as to this company's record and future?

Norgold Mines Ltd. shares are listed on the Toronto Stock Exchange and the current market is about 15 cents a share. The company, we are informed, has about $50,000 in the treasury at the present time and is drilling on one of a group of 4 blocks of claims. Drilling will continue for some time to thoroughly explore the property and shaft sinking will follow, it is expected by officials. The company appears to be in good financial shape to continue with its programme. Under the agreement of August 21, 200,000 shares were underwritten at 10 cents a share and payments received. A further block of 1,100,000 shares was optioned in blocks of 100,000 shares each over an eleven-month period from September to July of next year.

God's Lake Gold

From reading your columns, I gather you have been rather favorably impressed with the outlook for God's Lake Gold Mines. The picture at a mine changes so rapidly, that I was wondering if you still think this stock worthwhile. A brief opinion would be appreciated.

R. J. Jowsey, president of God's Lake has returned from an inspection visit to the property and the information which he has brought with him indicates a more favorable situation at God's Lake than is generally realized.

Drifting on the third and fourth levels has encountered very encouraging gold values, previously indicated by diamond drilling. Important gold discoveries have also been made in the shaft at a depth of between 830 and 850 ft. and these are being further explored. Stoping in the east ore body at the third level has confirmed widths and values previously indicated by diamond drilling and mill expansion results are expected to be improved by the addition of new equipment around November 1.

The outlook at God's Lake is probably more favorable than for some time in relation to the possibility of locating new and important commercial ore bodies.

Unusual Opportunity . . .

Because 80% of all the funds raised from the public actually goes for mining purposes.

A Word With You . . .

If you haven't read the series "Five Minute Talks on Canadian Mining" . . . well, you've missed something. If you have read these frank discussions you know how carefully I have analyzed the profit possibilities in Canadian Mining as well as the causes of loss.

I drew your attention to a selected gold development that I honestly believe has a real chance of success . . . *ENSIGN GOLD MINES LIMITED.*

And that word selected means a lot . . . the study and analysis of scores of enterprises and proposals . . . engineer's investigations and reports . . . and a host of tedious details to investigate prior to selection of a property, a company and a district that alike give those satisfactory indications of potential success that I require in any company that I sponsor.

For before I will agree to allow any company to use my plan, the company must be able to prove to me and to my confrere engineers' entire satisfaction that the property merits development . . . and offers more than an ordinary expectation of success.

Then If I agree to sponsor it and finance the company under my plan, it is definitely contracted that 80% of all funds raised from the public offering I sponsor are definitely and exclusively to be used for the development of the property mine-wise . . . 80% of your money is to actually go to work at mine development in a serious effort to make a real mine out of the property.

This is, of course, quite a contrast to the usual percentage of public funds that actually reach the work of mine development. Many, many companies find that only a few cents of the investor's dollar is actually available for mining purposes.

I am as certain as I can be that the Ensign Gold Mines Limited thus offers more than an ordinary speculation even without the unusual investor safeguards I have insisted be adopted.

So . . . do not delay your subscription, for, frankly, I believe the available shares will be quickly over-subscribed. Read the details of property and plan, printed alongside this message and send your order . . . not to me . . . but direct to the Ensign Gold Mines Limited.

Yours sincerely,

H. M. Parrington

H. M. PARRINGTON, M.E.

80% OF ALL MONEY INVESTED BY THE PUBLIC ACTUALLY GOES INTO THE WORK OF MINING DEVELOPMENT

This is YOUR OPPORTUNITY . . .

TO PARTICIPATE IN A PROMISING CANADIAN GOLD MINING DEVELOPMENT . . .

offering a speculation under unusual Safeguarding Conditions . . .

ENSIGN GOLD MINES LIMITED

Incorporated under the Ontario Companies Act by Letters Patent dated April 30, 1934.

A SELECTED OFFERING THAT MEETS THE MOST EXACTING REQUIREMENTS

CAPITALIZATION

Authorized Capital, shares without par value	1,500,000
Issued for mining properties and pooled, shares	800,000
Issued to incorporators at $1.00 per share, shares	5
Total issued as at September 26, 1936, shares	800,005
Shares remaining in Treasury, including present offering	699,995

OFFICERS AND DIRECTORS

Burton M. Hill, M.E.I.C., M.P., Civil Engineer, Montreal, *President*

Colin A. Campbell, M.E., M.P., Consulting Mining Engineer, Sydenham, Ontario, *Vice-President and Managing Director*

J. Arthur Griffith, Gentleman, Toronto, *Director*

General Alex. McDougall, Hydraulic Engineer, Toronto, *Director*

Russell J. Mitchell, Distributor, Toronto, *Director*

REGISTRAR AND TRANSFER AGENT

Premier Trust Company, Toronto

PROPERTY

Upon its incorporation the Company acquired from Bexley Securities Corporation Limited the property formerly known as the Shakespeare Mine, comprising four hundred and sixty acres (460) near Webbwood, Ontario, about fifty miles southwest of Sudbury, and issued 800,000 shares of the Company in full payment for the property. The Company owns the property outright, the titles being recorded in the Land Titles Office at Sudbury as Parcels Numbers 1601, 1641½, 7184, 7199 and 7200.

Discovered and staked in 1903, the property was actively developed for about four years, a shaft being sunk to a depth of 340 feet and a considerable amount of lateral work done on six levels. The mine was in production for some time, operating a ten stamp mill. Capital, however, was scarce and mining operations and gold extraction were inefficient. The reports of that period and an examination made in August and September, 1936, under the supervision of Mr. Colin A. Campbell, M.E., indicate a very favourable mining development to be possible at the increased price of gold and with modern methods of mining and gold extraction.

PURPOSE OF THE ISSUE

Active development work at the mine has been resumed and with the proceeds of this offering, it is planned to continue the development of the property and to prove up its minewise possibilities in an adequate and practical manner. 80% of all funds subscribed are definitely to be spent in mining development. No brokers or salesmen are employed in this issue and all subscriptions are to be made directly to the Company.

FIFTY DOLLARS IS ALL YOU CAN SUBSCRIBE AT THIS TIME

THE ENSIGN PROPERTY HAS ALREADY ACTUALLY PRODUCED GOLD . . . as in 1905-7 this was a producing mine . . . but through lack of proper financing work was discontinued until the property was secured by the present company.

HOW SUBSCRIBERS UNITE

. . . to Select an OUTSTANDING ENGINEER to Make an Independent Investigation on Their Behalf

The company has selected the Premier Trust Company of Toronto, Canada, TO ACT FOR THE COMPANY AND THE PRESENT SUBSCRIBERS in the matter of making an independent investigation into the merits of the property and its future possibilities, and has agreed to deposit with them sufficient money to pay for the cost of such investigation. The Trust Company is to submit a list of available competent consulting mining engineers who are members of the Canadian Institute of Mining and Metallurgy or who have practised as Consulting Engineers for over five years, together with a ballot with all these engineers' names thereon, to each subscriber, who shall then select the one that he prefers to make the investigation after carefully reading the list and the individual records of each engineer, and shall mark the ballot showing his selection and return it to the Trust Company in the return envelope provided. The ballots will then be counted by the Trust Company and the engineer selected by the largest number of the subscribers shall then be employed and sent to the property by the Trust Company and paid from the funds supplied by the Ensign Company, to give a complete independent report on the Ensign property and its possibilities, on behalf of the present subscribers.

The Trust Company on receipt of this report will see that a copy of it is sent to each subscriber so that each can then have the adequate basis of FACTS whether to exercise his or her option for additional shares at the price now paid for this initial speculation of ONE DOLLAR per share.

PROPERTY NOW UNDER ACTIVE DEVELOPMENT

ORDER FOR SHARES . . . ON BASIS OF THIS SPECIAL OFFER

SUBSCRIPTION

MAKE ALL CHEQUES PAYABLE TO ENSIGN GOLD MINES LIMITED, 112 YONGE STREET, TORONTO

ENSIGN GOLD MINES LIMITED.
112 Yonge Street, Toronto.

Enclosed you will find FIFTY DOLLARS for which please allot FIFTY shares of ENSIGN GOLD MINES LIMITED capital stock from the Treasury of the company at ONE DOLLAR per share . . . and give me an option on a proportionate part of the unsubscribed shares of the company allocated proportionately among all subscribers to the present issue, but limited to a maximum of TWO HUNDRED shares to each subscriber at ONE DOLLAR per share . . . said option to be in effect for ten days after the mailing to me of the report of the independent engineer selected and sent to the property on behalf of myself and the others subscribing at this time.

It is definitely understood and agreed that the company is to pay for such investigation as outlined in your announcement of offering, a copy of which was attached to this subscription form and receipt of which I acknowledge, and that the details of the investigation are to be handled through the PREMIER TRUST COMPANY of TORONTO, CANADA.

It is further understood that 80% of all subscriptions under this offering are to go into the Treasury of the company for the purposes of mining development.

F.P.

Name..........

Address..........

....

MAKE ALL CHEQUES PAYABLE TO ENSIGN GOLD MINES LIMITED

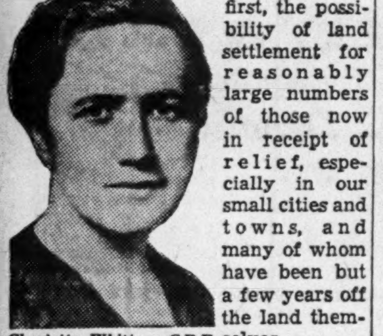
AA2

Challenge of Land Settlement

Vigorous Policy Seen as One Key to Relief Problems — Why Canada's "Bad Lands" Policy Has Been Gravest Relief Error

By CHARLOTTE WHITTON, C.B.E.

Land and settlement might make a substantial contribution to Canada's escape from the pressure of present conditions.



Charlotte Whitton, C.B.E.

There is first, the possibility of land settlement for reasonably large numbers of those now in receipt of relief, especially in our small cities and towns, and many of whom have been but a few years off the land themselves.

There is the question of the opening on a large scale plane of new areas that might be colonized from our own residents, or by population from abroad, for Canada cannot hope to remain entirely detached much longer from the world's problems of redistribution of population and freer access to raw materials for nations with surplus population. As possessing the greatest undeveloped resources of any land, pleasantly habitable by white races, she would seem under obligation in her own interests alone, of anticipating the problem by carefully developed plans of migration and settlement, for which she would select her own settlers.

Youth Outlet

There is the question of the possible utilization of thousands of our idle youth, and able bodied, homeless men in any such plans for the opening, clearing, and breaking of new land for cultivation and settlement and for the younger men the correlation of instruction in agriculture on the basis of small, largely self-sustaining units of mixed farming.

Land clearing and settlement might play a very real part in giving back to disillusioned youth something of the zest and purpose of life that their grandfathers and great-grandfathers, driven in large numbers by similar economic pressure and hopelessness of outlook in other days and lands, found in opening and building up this land. The hope may be an idle dream, but again it might be worth an experiment.

Canada's Bad Lands

There is also the problem that has long been with us, of the transfer of population from untenable areas of land offering some promise at least of sustenance. The Maritime Provinces and both Old and New Ontario have long had their bad hinterlands into which population pushed years ago, following the lumbering or mining industry, or pushed back by the lack of cheap land in better areas. Much of this land was quite incapable of sustaining any form of agriculture and the people on it have eked out a precarious existence, hunting, fishing, trapping, latterly guiding tourists, and gradually being beaten down in character and physique and, not infrequently, even in mental endowment and intelligence.

These "bad" lands exist also in the newer provinces, "between the lakes" in Manitoba, in the north in the other prairie provinces, "up coast" and in mined out areas in British Columbia, but the population has not dwelt as many generations in these inhospitable conditions, and the land has not pulled them down as it has in these older areas where life has been lived long years under the most primitive conditions of isolation and penury.

A Major Error

The introduction of direct relief, as "unemployment" relief or "agricultural" relief in these areas, on the basis and approach of special aid to meet emergency conditions has been one of the gravest of our relief errors. It would have been farcical were it not fraught with such possibilities of persistent and inescapable subsidy to such population for a quite indefinite period in the future.

Life in these areas was largely a matter of scraping an existence by barter and various devices and the introduction of relief grants on the basis of ordinary social aid in an established rural community without related provisions for adequate handling of the other serious problems presenting themselves on every hand has been as costly as it has been unwise and positively demoralizing.

Land Settlement Policy Gives Hope for Future

That land and settlement can make an important contribution to Canada's present relief and social problems is the opinion of Charlotte Whitton, C.B.E., in this strikingly informative article.

Miss Whitton speaks with an authority that comes from intimate contact with every phase of Canada's great social problems. As executive director since 1925 of the Canadian Welfare Council (formerly Canadian Council of Child and Family Welfare) she is rounding out a career of brilliant accomplishment which began at Queen's University during war days.

Thus she talks with authority when she describes Canada's "bad lands" and the challenge they present to this country. She shows that one of our gravest relief errors has been the introduction of relief to these areas, and calls for an immediate reversal of this policy together with proper social planning to set this major error right.

She analyzes clearly the good and bad points of our relief settlement policy, and shows the need for greater flexibility to achieve success for a plan which, while sound in theory, has as yet succeeded in placing only 4340 families on the land during 4 years of operation.

In subsequent articles, written especially for The Financial Post, Miss Whitton will discuss other aspects of the major problems of relief and social reconstruction that challenge the attention of every thinking Canadian at the present time.

Will Save Money

The social reclamation of the population that our own carelessness has allowed to settle the hinterlands is one of the obligations that this generation owes to the future of Canada and one that in the end will mean money saved by wise expenditure.

Now, when a saner policy than characterized development years ago is recognizing these lands as suitable only for forest reservations and tourist traffic, social planning should move hand in hand to provide for the treatment of those conditions which tend to feed our mental and benevolent institutions, our sanatoria and our hospitals. Now is the time to approach this hinterland problem as its special aspects demand and to salvage the hopeful and sturdy strains of population, still settled in the fringes.

Resettling on Farms

The summer of 1936 will make inevitable a large scale resettlement of some of the population in the drought ridden areas of the West, on a well-planned basis of voluntary participation.

True, agriculture in Canada is in as poor a plight as many other industries, but on the other hand there are few instances where the mixed farming, especially of the older provinces, has failed to yield a living to the occupant. And yet, in populous areas throughout the older provinces, there are available thousands of farms, with buildings habitable after some repair, standing on good land, abandoned because of the lure of high wages in the war and post war years, or often because the sons and daughters had entered the professions or business elsewhere, and the older people had moved after them, or left the farm unoccupied at their death.

A social and psychological approach to the problem of experiment in relief settlement for people who have been city dwellers for some years now would suggest experimentation in survey of such available lands, their subdivision into small holdings and placement there of would-be settlers from cities in the same districts.

Psychology of Relief Settlement

Relief settlement must not offer too great and sudden a break to the family who have known only city life for many years, whose children have perhaps known no other. It is easy to speak glibly of the softness of people today, of the necessity of getting back to "hard pan," and of facing up to the hardships of life as our forefathers did.

As a matter of fact some of the most representative areas of Canada were settled by well-devised schemes of planned survey and aid, for example, much of the U. E. Loyalist settlement was assisted as were the military settlements of Lanark, the Irish settlements in the Almonte district, and the ventures of the Canada Land Co.

Dealing With Hard Facts

Today, in relief, one has to deal with hard facts. With the hard facts that after 2 or 3 years on relief (and in 12 representative cities of Ontario, 45% of those on relief have been so situated for more than 2 years; in Saint John, N.B., 54%; in 3 Nova Scotia cities, 59%; in British Columbia, 70%) people are apt to lose their faith in most things. If they are willing to try something different and assume a greater risk with a change of residence and of life, surely that life should not be under conditions of such hardship as to make it seem intolerable, especially when success is more likely to attend the more carefully planned project and in areas with population close not only for "company" but as potential purchasers.

That has been what has been wrong in part with most of Canada's land settlement schemes. Too often the land has been selected with an eye to the interests of the person who wanted to sell rather than of the person who was to be settled and the prospects of ultimate establishment on a self-supporting basis.

Our Present Plan

However, that can hardly be alleged of such settlement as has taken place under the present relief settlement plan, but certainly some of it has been in ill-advised areas, such as for instance, placement of groups of families from the south of one western province in the north beyond the limits where its own Royal Commission deemed successful community development possible; and the location of others in areas where growth promised well but where the distance from potential markets imposed impossible handicaps.

Too much of the settlement, especially for families, has been directed to areas where land had to be cleared and broken under the most primitive conditions of life and where the minimum facilities for the protection of health and the education of children were lacking and capable of provision only at prohibitive cost and in the face of great difficulties.

Modest Proportions

The scheme provides but $600 a year for 3 years as a credit for the family placed on the land, against which relief needs and equipment are charged, the whole cost being shared in equal parts by the Federal and Provincial Governments and the municipality from which the settler goes. Last year the scheme was wisely extended to make possible a further total contribution of $100 for an additional year in the case of settlers not yet on a self-sustaining basis. The scheme was wise in its contrast with other and more elaborate projects that loaded the settler down with mortgage and interest charges before he started but perhaps it has erred in the modesty of its provisions.

Another feature to commend it was principle of selection and placement of individual or at most very small groups of families. But this being the case, it would seem that such placements should have been only on individual farms in established communities, leaving settlement in isolated or new areas to be undertaken on the group plan where corporate effort and companionship would overcome many of the handicaps and make possible the assurance of at least school and nursing services for the mothers and children in the families so placed. The conditions in which some of these families have found themselves could not but lead to abandonment of what was a pretty hopeless venture for them, even before they started out.

Lacks Flexibility

The scheme also lacks flexibility both as to limits and operation, and, doubtless, granted more freedom and discretion, the federal and provincial officials in charge could collaborate more effectively with local committees on settlement on the one hand, and relief authorities on the other. The participation of the local relief bodies has been slight due to the shortsighted contention advanced by so many that they should not contribute at a third the cost of the family on relief to their reestablishment in some other district when, if they did not, they could go on paying 3 times that cost to maintain them on relief and keep them dependents in their own community.

It is possible that a modification of the scheme whereby province and Dominion would collaborate directly in placement within the province concerned would make for its more practicable and energetic development. For it can hardly be described as outstandingly successful when after nearly 4 years of operation 4,340 families involving but 22,800 individuals have been so placed in 8 provinces of Canada, and in a period when we have never had less than 1,000,000 in receipt of direct relief.

Woman's Viewpoint

One feature to which insufficient importance has been attached is the attitude and capacity of the women to undertake settlement. Almost invariably it is her ability to stick it out which "makes a go of it," and provision for the introduction of the woman's point of view in the selection of families and the operation of the scheme is essential to any successful plan of land settlement.

The National Employment Commission is empowered to approach such a problem as this from the point of view of gathering up and binding all its loose ends together and of developing, within a broad general scheme, diversified plans for its differing phases. Most important, it is free to establish a direct contact between planning on a national scale and administration in the district or area of actual selection and settlement. Under such circumstances land and settlement may begin to play that large part in the re-establishment of some of our population on a self-supporting basis that we have every right to expect it should in this country.

At 41 is Representative Of C.P.R. in Europe

Almost spectacular has been the career of J. C. Patteson. At the early age of 41, he succeeds Sir George McLaren Brown, K. B. E., for the last 28 years European General Manager in London, England, for the Canadian Pacific Railway. Mr. Patteson joined the Canadian Pacific a few years after the Great War.

Starting with the company as assistant general agent at New York, he was appointed general agent for the passenger department at Philadelphia. After a very successful régime in this important position, he became general agent for the steamship department at Chicago. His work there was again outstanding and in January, 1935, he assumed the general agency at Toronto for the steamship department.

J. C. PATTESON

This general agency is one of the largest in the gift of the company. Still success followed him and in February of the current year he was promoted to be assistant to Sir George McLaren Brown in London, England. This month he succeeds Sir George with the title of European Manager.

A very pleasing personality combined with hard work with the minutest attention to every detail has been the keynote in Mr. Patteson's advancement. He expects hard work from his staff but he himself is always prepared to work still harder with the result that efficient service is an accomplished fact wherever he is in charge. Nothing was too much trouble for "Pat," as he is familiarly called by his friends, and the lowliest steamship traveller got just as much of his time as the most exalted. That made a profound impression at all the offices where he worked.

Before joining the Canadian Pacific Railway Mr. Patteson, who served with the Canadian Field Artillery overseas from July 1916 to September 1919, was assistant passenger manager of the Furness Bermuda Line. Born in London, Ontario, Mr. Patteson was educated at the Toronto Model School, Ridley College, St. Catharines, and the Royal Military College, Kingston. He was the grandson of T. C. Patteson, the distinguished first editor of the Mail, Toronto, who afterwards became postmaster at Toronto. His father was manager of the old Molson's Bank at London, Ontario, and is now retired and living at Ottawa.

Mr. Patteson is married and has a family of 3 young daughters.

Newfoundland

With the end of the 1936 codfish season in view, estimates predict a disappointing drop in the volume of the catch. It is anticipated, although no complete information is available, that for the first time in many years the total will fall below a million quintals. As a result, heavier relief costs will probably be necessary this winter.

Nevertheless, the situation is not quite as black as might be imagined. The average price has held up better than a year ago. Consequently, those fishermen who have had a fair catch have done perhaps a little better than in 1935, despite the unsettled Spanish market.

• • •

August revenue is reported at $926,440, more than $200,000 above that of the same month last year. Thus is continued the puzzling revenue increase despite poor conditions in the fisheries. Most of the advance is attributable to greater customs income.

Colgate-Palmolive-Peet Co., Ltd., plans the construction of a large extension to the present plant.

WILSON'S BACHELOR Cigar
100% Havana Filler
10¢

Legal and Professional Directory

Pitblado, Hoskin, Grundy, Bennest and Drummond-Hay
Pitblado, Hoskin, Turner, McEwen and Alsaker
Barristers, Solicitors, Etc.
Hamilton Building
WINNIPEG, CANADA

PEARSON, RUTLEDGE & DONALD
BARRISTERS, SOLICITORS, &c.
G. FRED PEARSON, K.C.
J. E. RUTLEDGE, K.C.
ROBERT T. DONALD, LL.B.
CABLE ADDRESS: "PEARSON." HALIFAX
Chronicle Building
Halifax, Nova Scotia

REID, WALLBRIDGE, GIBSON & SUTTON
Barristers, Solicitors, etc.
R. L. Reid, K.C. D. S. Wallbridge
J. G. Gibson W. A. Sutton
YORKSHIRE BUILDING
VANCOUVER, B.C.

Victor A. Sinclair, K.C.
Formerly Chairman, Workmen's Compensation Board, Ontario.
Special attention Workmen's Compensation, Social Insurance, Life Insurance, Corporation and Commercial Law.
1503 Canada Permanent Bldg.
TORONTO, CANADA

CHARTERED ACCOUNTANTS

E. R. C. CLARKSON & SONS
Licensed Trustees and Receivers
CLARKSON, GORDON, DILWORTH & NASH
CHARTERED ACCOUNTANTS
15 Wellington Street West, Toronto
Toronto — Montreal — Ottawa

Robertson, Robinson, McCannell & Dick
CHARTERED ACCOUNTANTS
D. H. McCANNELL—Licensed Trustee in Bankruptcy
Sterling Tower, Toronto

RONALD, GRIGGS & CO. Winnipeg
Chartered Accountants Saskatoon

MILLAR, MACDONALD & CO.
CHARTERED ACCOUNTANTS
WINNIPEG, MANITOBA

WILTON C. EDDIS & SONS
Established 1895
CHARTERED ACCOUNTANTS
Federal Building, Toronto

McDONALD CURRIE & CO.
CHARTERED ACCOUNTANTS
Montreal Toronto Quebec Ottawa

J. M. Dunwoody, C.A.
C. W. Nicholl, C.A. Thos. E. Saul, C.A.
DUNWOODY, NICHOLL, SAUL & CO.
CHARTERED ACCOUNTANTS
WINNIPEG, MANITOBA

T. A. GETTY
Chartered Accountant
Suite 302, Walter Scott Bldg.
Moose Jaw, Sask.

W. A. ROBERTSON KITCHENER
Chartered Accountant Ontario

J. P. LANGLEY & CO.
C. P. ROBERTS, F.C.A. TORONTO
Chartered Accountants KIRKLAND LAKE
ONTARIO

RUTHERFORD WILLIAMSON & CO.
CHARTERED ACCOUNTANTS
RUTHERFORD WILLIAMSON, F.C.A., HAROLD A. SHIACH, F.C.A.,
TORONTO, MONTREAL
Licensed Trustees and Receivers
Rutherford Williamson, F.C.A. F. R. McCutcheon, C.A.

INDUSTRIAL ENGINEERS

DUFRESNE, McLAGAN & ASSOCIATES
INDUSTRIAL AND MANAGEMENT CONSULTANTS
COST REDUCTION WAGE METHODS COST CONTROL
INDUSTRIAL COST ACCOUNTING PLANT AUDITS
BANK OF NOVA SCOTIA BUILDING MONTREAL
TORONTO MONTREAL QUEBEC

Abitibi Power & Paper Company, Limited
TORONTO, ONT.
Owning and operating mills at
Beaupré, Que. Sault Ste. Marie, Ont.
Sturgeon Falls, Ont. Iroquois Falls, Ont.
Espanola, Ont. Smooth Rock Falls, Ont.
Pine Falls, Man. Fort William, Ont.
Daily Capacity 2,200 Tons Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp

A Modern Fireproof Hotel of 350 Rooms
Rates: $2.00, $2.50, $3.00
Double Rooms: $4.50, $5.00
MAIN DINING ROOM
Club Breakfasts 25c to 65c
Lunch 65c to 85c
Dinner $1.00 to $1.50
COFFEE SHOP
•
HOTEL LONDON, LONDON, ONT.
Manager: H. F. Struckett

Sales and Service Offices from Coast to Coast.

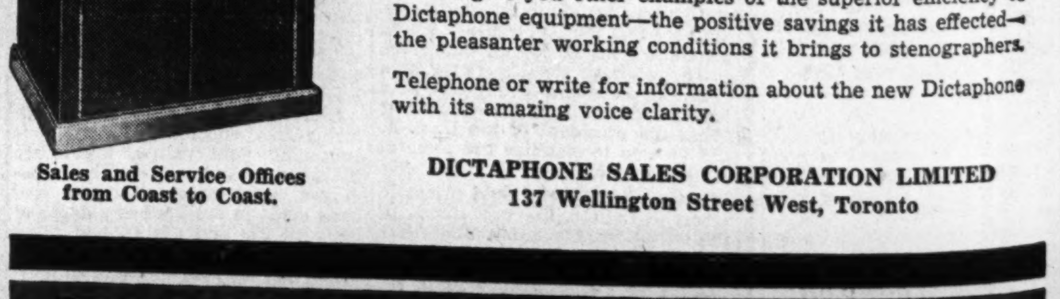
A survey of business offices reveals the fact that the average stenographer types 20 to 30 letters a day when transcribing from shorthand. At the Canadian National Institution for the Blind, the girls average 40 to 50 letters a day, using Dictaphone equipment.

These facts speak for themselves. Taking notes, waiting while executives answer the telephone or are otherwise interrupted, mean valuable time lost. And in addition, shorthand notes, frequently taken under pressure, are more difficult to transcribe than the clear, distinct words of the Dictaphone.

Let us give you other examples of the superior efficiency of Dictaphone equipment—the positive savings it has effected—the pleasanter working conditions it brings to stenographers.

Telephone or write for information about the new Dictaphone with its amazing voice clarity.

DICTAPHONE SALES CORPORATION LIMITED
137 Wellington Street West, Toronto



The word "DICTAPHONE" is the registered trade-mark of Dictaphone Corporation.